

**REPORT BY THE
AUDITOR GENERAL
OF CALIFORNIA**

**A REVIEW OF THE INGLEWOOD UNIFIED SCHOOL
DISTRICT'S MANAGEMENT PRACTICES AND
STUDENT ACADEMIC RECORDS**

**A Review of the Inglewood Unified School
District's Management Practices and
Student Academic Records**

F-028, August 1991

**Office of the Auditor General
California**



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F-028

Honorable Robert J. Campbell, Chairman
Members, Joint Legislative Audit Committee
State Capitol, Room 2163
Sacramento, California 95814

Dear Mr. Chairman and Members:

The Office of the Auditor General presents its report concerning Inglewood Unified School District's (district) management practices and accounting procedures. Specifically, the district has managed many of its operations adequately during the period of our review from fiscal year 1985-86 through 1989-90. However, the district needs to improve controls over student academic records, student attendance and accounting procedures, and purchasing.

Respectfully submitted,

KURT R. SJOBERG
Auditor General (acting)

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Summary

Results in Brief The Inglewood Unified School District (district) managed many of its operations adequately during the period of our review, from July 1, 1985, through March 31, 1991. However, some of the district's management practices and accounting procedures do not always provide the district with appropriate control over its student academic records, student attendance accounting and reporting, or purchasing. In addition, the district's budget process for fiscal year 1988-89 through 1990-91 appears reasonable, and the district's revenues and expenditures are, generally, comparable to the five school districts that we compared with the district. During our review, we noted the following conditions:

- Thirty-five of the 120 student transcripts we reviewed contained discrepancies such as showing credit for a class even though the student received either a failing grade or no grade; showing grades that did not agree with teachers' assigned grades or with report card grades; and showing no grade for a class even though the student completed the class;
- Contrary to district policy, 27 of 120 students we reviewed received passing grades even though they did not attend the minimum number of classes required to receive passing grades;
- Seven of the 29 graduates from 1990 and 2 of the 17 graduates from 1991 for whom we reviewed graduation requirements had not met the minimum graduation requirements;

- Five of 46 students graduated although the district could not document that they had passed the required proficiency test;
- Several schools within the district, as well as the district headquarters, did not correctly compute average daily student attendance, and as a result, the district was not aware that it was entitled to an additional \$56,000 in state apportionment funds; and
- For 7 of the 60 transactions that we attempted to review, the district could not demonstrate compliance with required purchasing procedures because it could not provide the necessary financial records.

Background

The district has 20 campuses, with a total average daily attendance (ADA) during fiscal year 1990-91 of approximately 16,900. It is managed by a five-member board of education, which appoints the superintendent. The district's revenues exceeded its expenditures for fiscal year 1985-86, but its expenditures and other financial uses exceeded its revenues for fiscal years 1986-87 and 1987-88. As a result, its fund balance decreased from \$1.8 million to \$192,000 during these three years. For fiscal year 1988-89, the district's revenues exceeded its expenditures and other financing uses by approximately \$2.4 million, which increased its fund balance to \$2.6 million at June 30, 1989. However, for fiscal year 1989-90, the fund balance took another downturn, as the district spent \$477,000 more than it received in revenues, and its fund balance decreased to \$2.1 million as of June 30, 1990. The district reported a total fund balance of approximately \$9 million as of June 30, 1990, because it received proceeds of approximately \$6.84 million from issuing certificates of participation in June 1990.

**Grades on
Academic
Records Are
Inaccurate,
Unjustified, and
Unsubstantiated**

Thirty-five (5 percent) of the 720 final semester grades that we reviewed at the district's two regular high schools were not accurately recorded on the students' report cards or the students' transcripts. In addition, teachers assigned passing grades to 27 (23 percent) of the 120 students we reviewed although those 27 did not meet the district's minimum attendance requirements. Also, because not all teachers maintained records of student attendance or performance and because the high schools did not retain all teacher's roll books, the district could not substantiate all of the final semester grades recorded on student academic records. If the district does not maintain accurate, justified, and substantiated student academic records, potential users of student transcripts may be misinformed about students' academic achievements.

**Some
Graduates Did
Not Meet
Requirements**

The district has not consistently followed procedures to ensure that seniors who graduated from district high schools in June 1990 and 1991 met minimum graduation requirements. Specifically, of the 29 graduates that we reviewed from the 1990 senior class, 7 did not meet minimum graduation requirements. In addition, of the 17 graduates that we reviewed from the 1991 senior class, 2 did not meet minimum graduation requirements. Also, the district did not maintain documentation for 5 of the 29 graduates from the 1990 senior class to show that they had passed a proficiency test. Failure to ensure that graduating seniors have satisfied state and district graduation requirements could result in potential users, such as colleges, universities, and employers who rely on graduation information, making admission or hiring decisions based on inaccurate information.

**Attendance
Accounting
System Is
Adequate but
Needs
Improvement**

The district's student attendance accounting and reporting system allows the district to adequately determine and report its ADA to the State and to receive the majority of the state apportionment funds to which it is entitled. However, the district needs to improve some aspects of this system to consistently maximize its state apportionment funds. Specifically, because the district's two junior high schools have not followed correct student

attendance and reporting procedures, they have miscalculated the ADA reported to the district. Thus, until we notified the district of this problem, the district was not aware that it was entitled to an additional \$56,000 in state apportionment funds. However, according to the district's director of fiscal services, the district corrected some of the miscalculations and will not lose \$51,000 of the \$56,000. In addition, the district has miscalculated the ADA reported for three of its schools because it used the incorrect number of school days in its calculation. As a result, the district received approximately \$5,400 more in state apportionment funds than it was entitled to receive. We also found that two district high schools are using attendance forms that the State approved another school district to use but has not approved for the district, and not all district schools have retained student attendance records.

**Required
Purchasing
Procedures
Not Always
Followed**

Although the district's purchasing system is adequate and it has generally followed required purchasing procedures from July 1, 1987, through March 31, 1991, the district needs to improve its control over some aspects of that system. Specifically, the district could not demonstrate compliance with required purchasing procedures for 7 of the 60 transactions we attempted to review because it could not provide all of the necessary financial records. Six of these transactions are from fiscal year 1987-88, and one of these transactions is from fiscal year 1988-89. For the remaining 53 transactions, the district did not always follow required bidding procedures for 3 transactions. It also did not follow approval procedures for 2 transactions and did not follow accounting procedures for 4 transactions. Finally, the district has not updated its policies, procedures, and regulations to ensure that they are in compliance with the applicable legal codes related to purchasing or current practice.

**Reasonable
Budget
Process**

The district's budget process for fiscal year 1988-89 through 1990-91 appears reasonable. To ensure that it has identified and prioritized the needs of the district, district management has encouraged all interested parties, including parents, principals,

teachers, and other district employees, to participate in the budget process. To give each school some discretion over how funds are spent, the district allocates funds for certain expenses to each school and, except for the allocation for textbooks, allows the schools to determine how to best spend the funds. Schools can use the textbook allocation only to buy books, but a school can choose to allocate more funds to purchase additional textbooks if desired.

Although the budget process is complicated by several factors, including salary negotiations, which sometimes are not completed until long after the budget has been adopted, the district prepared budgets reasonably by including conservative revenue estimates and having projected revenues exceed projected expenditures. However, the management did not always obtain prior board approval to exceed budgeted expenditures.

**Revenues and
Expenditures
Comparable to
Other School
Districts**

The district received approximately the same amount of revenues for fiscal year 1987-88 through 1989-90 as four of the five school districts that we compared it with. In addition, the district's expenditures were comparable to the other school districts for maintenance, books and supplies, and equipment. In contrast, its expenditures for workers' compensation for instructional personnel, which increased significantly, were not comparable. The district's total expenses increased by 30 percent, approximately \$14 million, for fiscal year 1985-86 through 1989-90; \$9 million of this related to an increase in employee salaries.

Although the district has increased its salary rates for teachers, it spends less of its total expenses on teacher salaries than do the five school districts that we compared it with. Even though the district's teacher salaries are one of the lowest in Los Angeles County, the district spends approximately 55 percent of its total current expenses on teacher salaries and benefits as required by the Education Code. Finally, the district spent approximately 61 percent of its available funds for instructional services from

fiscal year 1987-88 through 1989-90, which was slightly less than three of the five school districts that we compared with the district.

Recommendations

To better improve its management of operations and administration, the district should take the following actions:

- Ensure that teachers' final semester grades always match the students' report card grades and transcript grades before providing such grades to the students or to colleges, universities, or potential employers;
- Reinforce its regulations for taking student attendance to ensure that students achieve a minimum of 85 percent attendance in classes to earn passing grades;
- Ensure that all teachers turn in their roll books at the end of the academic year and that all roll books are retained and safeguarded;
- Ensure that all students have met the district's minimum graduation requirements before allowing the students to graduate;
- Develop additional written guidelines to ensure that all schools accurately compile and report student attendance;
- Ensure that proper bidding procedures are consistently followed and that supporting documentation of the bidding process is maintained;
- Update its policies to ensure compliance with the legal codes and current district practice; and
- Obtain board approval before exceeding budgeted expenditures in major expense categories.

Agency Comments	In general, the district agrees with our recommendations and intends to implement them.
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Introduction

The Inglewood Unified School District (district) is located in Los Angeles County and is administered by a superintendent in accordance with policies approved by the district's five-member board of education (board). The board members, elected officials serving staggered four-year terms, appoint the superintendent, who is responsible for preparing and submitting a budget to the board each year. On September 20, 1988, the board appointed Dr. George McKenna, III, as district superintendent. On June 26, 1989, the board appointed Ms. Kermet Dixon as the assistant superintendent of business services, effective July 1, 1989.

For fiscal year 1987-88, the district had a total average daily attendance of approximately 17,400 and was the forty-eighth largest unified school district in California. For fiscal year 1990-91, the district reported a total average daily attendance of approximately 16,900. Its 20 schools comprise 13 elementary schools, two junior high schools, two senior high schools, one continuation school, one adult education school, and one preschool/latchkey school. In fiscal year 1989-90, the district had a general fund operating budget of approximately \$56 million. For the fiscal year ended June 30, 1986, the general fund balance was \$3.5 million; at June 30, 1987, it was \$1.05 million; at June 30, 1988, it was \$192,100; and at June 30, 1989, it was \$2.6 million. For fiscal year 1989-90, the district had a fund balance of \$9 million. This includes proceeds of \$6.8 million from the sale of certificates of participation, which are tax-exempt securities.

In November 1989, the superintendent requested that the California Department of Education examine the recording of grades on student transcripts and the issuance of diplomas to students in the district's high schools. The resulting report, issued in March 1990, disclosed some irregularities in grading and graduation procedures at the district's high schools. Appendix A is a copy of the California Department of Education's findings.

At the board's request, the Management Review Team of the Los Angeles County Office of Education performed a comprehensive management review of the district's operations and issued a report dated August 31, 1990. The intent of this review was to provide the district with financial and staffing data for planning purposes and to identify how the district could change management practices and staffing levels in its central office. The team did not evaluate the district's budgeting, expenditure, or staffing policies for efficiencies and reasonableness. Appendix B summarizes the recommendations the team made as a result of its review. The district responded favorably to these recommendations.

In June 1990, the district completed a sale of \$7.035 million in tax exempt certificates of participation. The district issued the certificates to purchase portable trailers, to improve two athletic fields, and to purchase such items as vehicles, instructional equipment, classroom furniture, and maintenance equipment. According to the terms of the certificates, the district leased facilities that it owned, as well as the portable trailers, track renovations, and equipment purchased with the proceeds, to a corporation for 15 years. It then leased back the facilities and equipment at annual payments equal to the principal and interest payments on the certificates. According to the district's budget summary report for the fiscal year 1990-91 budget submitted to the Los Angeles County Office of Education, the district intends to use the money normally spent on renting portable trailers to pay the annual lease payments.

**Scope and
Methodology**

The purpose of our review was to evaluate the district's management of operations and its administration of the district. We accomplished our objectives by reviewing the district's student attendance procedures and records, student transcripts, and graduation requirements. In addition, we reviewed the district's budget development and control procedures and its procurement practices.

Our review included interviewing knowledgeable state, Los Angeles County, and district employees. We limited our review of district records to the period of July 1, 1985, through March 31, 1991, and we limited our review of district transactions to the period of July 1, 1987, through March 31, 1991. We also reviewed the California Education Code, the California Code of Regulations, the Public Contract Code, and the district's board policies and regulations.

We reviewed how the district prepares its annual budget, including how it allocates discretionary funds to individual schools, to determine if the district made reasonable assumptions when projecting its revenues to meet planned expenditures. We surveyed eight of the district's schools to determine each school's involvement in the budget process. We also determined whether the district's annual budget and changes to that budget were reviewed and approved by the board and the Los Angeles County Office of Education. To avoid duplicating the work performed by the Management Review Team from the Los Angeles County Office of Education, we did not include the district's staffing policies or current employee positions in our review of the district's budget process.

To determine if the district is obtaining the funding that is available to it, we identified the funding sources available to the district and compared these sources with the funding actually received by the district. For those funds that the district is not receiving, we analyzed the district's reasons for not receiving the funds and found them to be reasonable.

We analyzed the district's actual expenditures for fiscal year 1985-86 through 1989-90 to identify significant variances in instructional or noninstructional expense categories. We also compared these expenditures with the expenditures of five other school districts for fiscal years 1987-88, 1988-89, and 1989-90 to identify significant variances. We then analyzed these variances to determine if the district routinely underfunds certain expense categories or if the district spent more or less in certain expense categories in relation to the other school districts. The five school districts we used for comparison had similar average daily student attendances and spent approximately the same amount of funds as the district. We used the financial information that the district submitted to the California Department of Education for fiscal year 1985-86 through 1989-90 for our analysis and for the table, figures, and appendices in this report. We did not audit the district's financial information.

We reviewed the process that the district used to issue \$7.035 million in certificates of participation to determine the fiscal soundness of this decision and to determine whether the district used proper procedures to issue the certificates. We also determined whether the district has been using the proceeds from the sale of the certificates as intended. We found that the district's decision to issue the certificates was reasonable and that it has been using the proceeds as intended.

To determine the purchasing department's adherence to procurement policies and regulations, we nonstatistically selected 40 purchases made by the district from July 1, 1987, through March 31, 1991. We examined all purchases selected to determine whether the purchasing department had properly authorized them, had followed the required procurement procedures, and had obtained evidence of goods or services received before payment. In addition, we reviewed 20 of the contracts that the district awarded from July 1, 1987, through March 31, 1991, to determine if the district awarded those contracts in compliance with applicable laws and regulations.

We reviewed the procedures of the district's headquarters for preparing and reporting a portion of its average daily attendance to the State from July 1, 1987, through December 31, 1990, to determine if the district is using the correct attendance procedures. We also reviewed for correctness the procedures used by 8 of the district's 20 school sites to account for and report student attendance.

To determine if the district continues to have problems with students meeting graduation requirements and with grade changing, we compared the district's corrective actions with the recommendations made by the California Department of Education in its March 1990 report. To determine the effectiveness of the district's corrective actions, we selected 35 transcripts from students in the June 1990 graduating class and 24 transcripts from students in the June 1991 graduating class and determined if these students met state and district graduation requirements. We also selected an additional 60 student transcripts and determined for a selected number of grades whether each grade is properly supported by teacher roll books. When a student's grade had been changed, we also determined whether such a change was properly authorized and supported.

We reviewed the off-campus passes issued by the district's high schools in November 1990 and February 1991 and determined that the high schools were following district procedures.

We reviewed the district's independent auditor's reports submitted to the State Controller's Office for fiscal year 1985-86 through 1989-90 to determine if the independent auditor disclosed any significant issue concerning the district's financial condition. We also attempted to analyze the independent auditor's management letter detailing reportable weaknesses in the district's internal control structure. The independent auditor's reports for this period did not disclose any significant issues concerning the district's financial condition, and according to the district's assistant superintendent of business services, the independent auditor has not issued a management letter to the district.

Finally, during our review of the district's management of operations, we noted several weaknesses in the district's internal control structure that, although outside the scope of our review, district management should be aware of. Specifically, we noted the following instances in which district employees were performing incompatible duties: the director of cafeteria services maintains the blank check stock and also signs the checks; an employee who receives cash receipts prepares the bank reconciliation and may also prepare the bank deposit; the employee who maintains the cash receipts register, the cash disbursements register, and the general ledger also prepares the bank reconciliation; the payroll unit that initiates and then verifies the accuracy of district employee payroll warrants also receives and distributes those warrants and maintains undistributed warrants. In addition to these incompatible duties, we noted that cash registers are not used in the school cafeterias; cafeteria employees who handle cash and have access to the deposit bag are not bonded; the district has not had a physical inventory of equipment since 1985; and it does not maintain a fixed asset account. These weaknesses could result in a district employee performing and concealing a fraudulent act, and the district is vulnerable to losses or misuse of equipment.

Chapter 1 The Inglewood Unified School District Needs To Improve Its Control Over Grades on Student Academic Records

Chapter Summary

The Inglewood Unified School District's (district) two regular high schools did not always ensure that grades and credits on student academic records for academic years 1989-90 and 1990-91 were accurate, justified, or substantiated. Specifically, 35 of 720 final semester grades that we reviewed at the district's two regular high schools were not accurately recorded on the students' report cards or transcripts. In addition, of the 120 students we reviewed, teachers assigned passing grades to 27 who did not meet the district's minimum attendance requirements. Also, because 12 teachers did not maintain records of student attendance and 18 teachers did not retain records of student performance and because the high schools did not retain 12 teacher's roll books, the district could not substantiate all the final semester grades recorded on students' academic records. Failure to maintain accurate, justified, or substantiated student academic records hinders the district's ability to properly evaluate a student's performance. It also allows students to graduate without meeting minimum graduation requirements and may misinform potential users of student transcripts, such as universities or potential employers, about a student's academic achievements.

Background

In November 1989, the district's superintendent requested that the California Department of Education (department) examine the recording of grades on student transcripts and the issuance of diplomas to the district's high school students. The purpose of this examination was to determine if there were any irregularities in either grading procedures or high school graduation procedures.

The department reviewed the records of 43 students enrolled in the district's two regular high schools during academic year 1988-89 and found irregularities in 22 (51 percent) of those records. In addition, the department could not find one student's transcript. Of these 22 records, 10 had discrepancies between the teacher-assigned grade, the grade shown on the student's report card, and the grade shown on the student's transcript. In June 1990, the district's superintendent sent a memorandum to all school principals reinforcing the district's guidelines for recording student grades. In this memorandum, the superintendent stated, in part, that all grades must be justified by measurable activity or work completed and recorded in the official roll book; that a grade can only be changed in the event of a mistake, fraud, incompetence, or bad faith; and that grades are legal documents and any unauthorized grade change is a violation of the Education Code.

**Inaccurate
Student
Academic
Records**

For the 120 student transcripts we reviewed for academic years 1989-90 and 1990-91, we found discrepancies in 35 (29 percent) that were similar to those noted by the department. Specifically, of the 60 student transcripts (encompassing 361 student classes) that we reviewed at Inglewood High School, 16 (encompassing 27 student classes) showed that students received credit for classes even though they received either failing grades or no grades at all. In addition, 11 student transcripts (encompassing 16 student classes) showed grades that did not agree with the teachers' final semester grades or the report card grades. Another student's transcript grade and report card grade agreed, but they did not agree with the teacher's final semester grade. Finally, one student's transcript (encompassing one student class) showed no grade even though the teacher's roll book indicates that the student completed the class. All of the discrepancies noted above occurred in student transcripts from academic year 1990-91.

Of the 60 student transcripts (encompassing 359 student classes) that we reviewed at Morningside High School, 2 (encompassing 2 student classes) showed no grades for a class that the teacher's roll book showed the students had completed. Three other transcripts (encompassing 3 student classes) showed

grades and credits earned, but there was no record that the students either were enrolled in or had successfully completed the class. Finally, one student transcript (encompassing one student class) showed a lower grade than the grade assigned by the teacher. Four of these discrepancies occurred in student transcripts from the academic year 1989-90 and 2 from the academic year 1990-91.

The Education Code, Section 49066, states in part that the grade given to each pupil shall be the grade determined by the teacher and shall be final in the absence of clerical or mechanical mistake, fraud, bad faith, or incompetency. Also, district regulation 5123(e) states that a student must receive a minimum grade of 60 percent (D-) to pass each course.

Failure to ensure that teachers' final semester grades are accurately shown on student report cards and official transcripts hinders the ability of school officials to effectively monitor and evaluate a student's progress toward meeting the district's graduation requirements. Ineffective monitoring of student achievement could result either in a student not receiving a grade and credit for a course that the student successfully completed or in a student graduating without meeting the district's graduation requirements. Further, inaccurate student transcripts could be sent to colleges, universities, and potential employers, which would mislead them as to the students' actual academic achievements.

**Attendance in
Class Not
Considered**

The Education Code, Section 49067, allows the governing board of any school district to adopt regulations permitting teachers to assign a failing grade to any student whose unexcused absences from the teacher's class equal or exceed a maximum number established by the board. District regulation 5123(d) states that a student must have validated days of attendance for at least 85 percent of the enrolled days each semester to receive a passing report card grade. However, for 23 percent of the students we reviewed, teachers assigned passing grades to students who exceeded the maximum number of allowed absences. Specifically,

18 of the 60 students reviewed at Inglewood High School and 9 of the 60 students reviewed at Morningside High School received passing grades for classes even though their unexcused absences in those classes during the semester exceeded the maximum limit of 14 set by the district. Further, 9 teacher roll books that we reviewed at Inglewood High School did not distinguish between excused and unexcused absences. Consequently, we could not determine if the students who received passing grades in these classes met the district's minimum attendance requirement.

When teachers assign passing grades to students who do not meet the district's attendance policy, they also may allow those students to graduate without meeting the district's minimum graduation requirements. Specifically, for the senior classes of 1990, 8 of 18 students tested from Inglewood High School and 6 of 17 students tested from Morningside High School received passing grades in courses although the students did not meet the district's attendance requirements. Of these 14 students, one from Inglewood High School and 4 from Morningside High School would not have graduated if they had not received passing grades in these classes.

Further, for the senior classes of 1991, of the 12 students tested from each high school, 5 from Inglewood High School and one from Morningside High School received passing grades in courses although they did not meet the district's attendance requirements. Two of these students from Inglewood High School would not have graduated if they had not received credits for these courses. The one student from Morningside High School would still have qualified for graduation because she did not need the credits earned for this course to meet the district's minimum graduation requirement.

**Grades and
Attendance
Not Always
Substantiated**

District regulation 5124(a) and (b) on grading states that teachers are to assess the student's achievement level and that extreme (superior and failing) grades should be given with adequate recorded information. This regulation is reinforced by policies at each high school instructing teachers to maintain records of student attendance and performance in the roll book during the semester. However, the district's high school teachers did not always maintain such records of student attendance and performance. Specifically, 2 Inglewood High School teachers and 10 Morningside High School teachers did not always maintain student attendance records during one or more semesters in the 1989-90 and 1990-91 academic years. In addition, 9 of the Inglewood High School teachers and 9 of the Morningside High School teachers did not maintain records of student performance during the semester. Failure to maintain records of student attendance and performance hinders a teacher's ability to accurately evaluate a student's overall performance and to assign a grade the student deserves. Further, without records of student attendance and performance, teachers cannot substantiate students' grades if mistakes are detected on student report cards or transcripts, nor can teachers demonstrate that they complied with the district's grading policy as it relates to student attendance.

**Teacher Roll
Books Not
Located**

Policies and procedures at the high schools require teachers to turn in roll books at the end of each academic year. However, administrative staff at the district's two regular high schools could not locate some of the teacher's roll books for the 1989-90 and 1990-91 academic years. We requested that the administrative staff at Inglewood High School locate 80 teacher's roll books from academic year 1989-90 and 81 roll books from academic year 1990-91. They could not locate 2 of the 80 roll books or 2 of the 81 roll books. Also, administrative staff at Morningside High School could not locate 8 of the 62 roll books we requested from academic year 1989-90. Title 5 of the California Code of Regulations, Sections 16025 and 16026 states in part that records related to attendance shall not be destroyed for at least three years.

As a result of the missing roll books, Inglewood High School cannot substantiate transcript grades or report card grades for 5 of our sample of 60 students, and Morningside High School cannot substantiate transcript grades or report card grades for 14 of our sample of 60 students. Further, based on an average class size of 30 students per class, the district's high schools cannot substantiate up to 570 student grades. According to the assistant principal at Inglewood High School during our review, documentation to verify that all teacher's roll books were received in academic year 1989-90 cannot be located. According to the acting principal at Morningside High School, 7 of the 8 missing roll books were received at the end of the academic year.

Conclusion The district's two regular high schools did not ensure that grades and credits students earned were always accurately reflected on all the students' academic records. Also, some teachers assigned passing grades to students although the students' class attendance did not meet minimum attendance requirements. Further, the two high schools could not substantiate all student grades because some teachers did not maintain records of student attendance and performance and because they could not locate all of the teacher's roll books. When student records do not accurately reflect grades and credits, school officials cannot monitor students' progress towards graduation. Thus students may graduate without meeting the district's graduation requirements. In addition, inaccurate student academic records could be sent to colleges, universities, and potential employers, which would mislead them as to the students' true academic achievements.

Recommendations To ensure that grades and credits shown on a student's academic record are accurate, justified, and substantiated, the district should take the following actions:

- Establish policies and procedures to verify that teachers' final semester grades always match the students' report card grades and transcript grades before providing such grades to the students or to colleges, universities, or potential employers;
- Ensure that teachers follow established policies and procedures for recording student achievement and attendance during the semester;
- Ensure that teachers follow district policy regarding student attendance when assigning semester grades; and
- Ensure that all teachers turn in their roll books at the end of the academic year and that schools retain and safeguard them.

Chapter 2 The Inglewood Unified School District Needs To Ensure That All High School Graduates Meet Graduation Requirements

Chapter Summary

The Inglewood Unified School District (district) did not consistently follow procedures to ensure that seniors who graduated from district high schools in June 1990 and 1991 met state and district graduation requirements. The State and the district have established minimum course and proficiency requirements that a student must meet before receiving a high school diploma. We reviewed the records of 35 seniors from the class of 1990 at Inglewood High School and Morningside High School, 29 of whom graduated. In addition, we reviewed 24 seniors from the class of 1991 at Inglewood High School and Morningside High School, 17 of whom graduated. Of the 35 seniors from the classes of 1990, the high schools could not provide evidence that they had evaluated the credits of 34 seniors as of the end of their junior year, as required by the district, nor could they show that 5 of the 29 graduates had successfully passed the proficiency test, as required by state and district graduation requirements. Moreover, of the 29 seniors who graduated from the class of 1990, 7 had not met state or district graduation requirements. Finally, of the 17 seniors who graduated from the class of 1991, 2 had not met state or district graduation requirements.

Graduation Requirements Were Not Met

The Education Code, Section 51225.3, requires that a student complete a minimum number of courses in specific subjects to receive a diploma from high school. In addition, district regulation 5123(e) and (g) requires that, to graduate from high school, a student must earn credits in required subjects to reach the required 230 credits for graduation.

Senior Classes of 1990

Of the 14 graduates tested from Inglewood High School and the 15 graduates tested from Morningside High School, the high schools did not ensure that graduation requirements had been met for 5 Inglewood High School graduates and for 2 Morningside High School graduates. Of the 5 graduates from Inglewood High School who did not meet graduation requirements, 3 did not have enough total credits to graduate, and all 5 did not meet state or district graduation requirements because they had not earned credits in specific required subjects. The 2 graduates from Morningside High School also did not meet state and district graduation requirements because they had not earned credits in specific required subjects. In addition, as discussed on page 10 of this report, we found that one of the 14 graduates tested from Inglewood High School and 4 of the 15 graduates tested from Morningside High School, received passing grades and credit for required courses for graduation although they did not meet the district's minimum attendance requirement for those courses.

Senior Classes of 1991

Of the 7 graduates from Morningside High School, the school did not ensure that 2 had met the district's requirements. We did not find the same problems for the 10 graduates from Inglewood High School for the senior class of 1991. However, as discussed on page 10 of this report, we found that 2 of the 10 graduates tested from Inglewood High School received passing grades and credit for required courses for graduation although they did not meet the district's minimum attendance requirement for those courses.

Failure to ensure that graduating seniors have satisfied state and district graduation requirements could result in potential users, such as colleges, universities, and potential employers who rely on graduation information, making admission or hiring decisions based on inaccurate information.

**Credit
Evaluations and
Proficiency Test
Documentation
Not Maintained**

District regulation 5127(b) requires that, starting with the end of the junior year, students and parents be notified of course deficiencies that may preclude graduation. The district high schools evaluate student credits using the diploma credit evaluation form. In addition, the Education Code, Section 51217, requires that no pupil receive a diploma of graduation from high school if he or she has not met the standards of proficiency in basic skills prescribed by the district's governing board. District regulation 5123(g) requires that, to graduate from high school, students must pass the proficiency test.

Of the 18 seniors tested from the 1990 senior class of Inglewood High School and the 17 seniors from the same class of Morningside High School, the schools could not provide documentation that diploma credit evaluation forms had been completed as of the end of the junior year for all 18 seniors from Inglewood High School and 16 seniors from Morningside High School. In addition, Inglewood High School did not maintain documentation for 5 of the 14 graduates tested for 1990 to show that the seniors had successfully passed the proficiency test.

Without maintaining proper documentation, the schools have no evidence that they evaluated credits for students entering their senior year, notifying students and parents of any course deficiencies. Moreover, the schools have no evidence that the students successfully passed the proficiency test. Failure to notify students and parents of course deficiencies could result in students not qualifying for graduation.

Conclusion

Contrary to state and district requirements, district high schools allowed students to graduate who did not meet graduation requirements. Also, the high schools did not maintain documentation that they complied with the district requirement that they evaluate the credits of students as of the end of the junior year, nor could they document that seniors had passed the proficiency test.

Recommendations

To ensure that students have met minimum state and district graduation requirements, the district should take the following actions:

- Ensure that, before graduation, all graduating seniors have met minimum state and district graduation requirements; and
- Ensure that district high schools comply with the district requirement that they evaluate students' credits before the end of their junior year and that they maintain documentation of the diploma credit evaluations and results of the proficiency tests.

Chapter 3 The Inglewood Unified School District's Student Attendance Accounting System Is Adequate but Needs Some Improvement

Chapter Summary

The Inglewood Unified School District's (district) student attendance and accounting system allows the district to compile and report its average daily attendance (ADA) adequately, and as a result, the district is receiving the majority of the state apportionment funds to which it is entitled. We reviewed a portion of the ADA that seven of the district's schools reported to the district during fiscal years 1989-90 and 1990-91 and found that the district received approximately 99 percent of the state apportionment funds to which it was entitled. However, to ensure that it receives all available state apportionment funds, the district needs to improve some aspects of its student attendance accounting system. Specifically, the district's two junior high schools miscalculated their ADA because they did not take or adjust their daily student attendance records properly. In addition, the district reported an incorrect ADA figure to the State for fiscal year 1989-90 because it used the wrong number of days in its ADA calculation. We also noted that the district's two regular high schools are using attendance forms that the State approved another school district to use but has not approved for the district, and not all of the district's schools retained their student attendance information. As a result of the ADA miscalculations, the district did not receive the correct amount of state apportionment funds to which it was entitled. For example, until we notified the district of the deficiencies in the student attendance and accounting system at its two junior high schools, the district was not aware that it was entitled to an additional \$56,000 in state apportionment funds. According to the district's director of fiscal services, the district corrected a portion of the understated ADA reported in the second principal apportionment for fiscal year 1990-91 and, as a result, will not lose \$51,000 of the \$56,000. In addition,

because two of the district's school sites miscalculated its ADA that they reported to the district, the district received approximately \$5,400 more in state apportionment funds than it was entitled to receive.

**Average Daily
Attendance**

A school district's state apportionments (state aid given to a school district) are based, in part, on the reported ADA. ADA is equal to the average number of students actually attending classes who are enrolled for at least the minimum school day or have a valid excuse when absent. Student attendance should be counted every day of the school year and the resulting ADA reported to the California Department of Education three times during a school year. The higher the district's ADA reported to the State, the higher the state apportionment.

**District
Receives Most
Apportionment
Funds**

Title 5 of the California Code Of Regulations, Article 1, Section 400, states that the records of attendance of every pupil in the public schools be kept for the apportionment of state funds. The California Department of Education determines a school district's state apportionment funds based primarily on that district's reported ADA. Therefore, it is imperative that the district maintain an accurate student attendance accounting and reporting system to maximize its state apportionments. Our review determined that, in general, the district's student attendance and accounting system adequately allows the district to compile and report its ADA, and as a result, the district is receiving the majority of state apportionment funds to which it is entitled. Based on our recalculation of a portion of the district's reported ADA for fiscal year 1989-90 through 1990-91, the district received approximately \$6,114,000, which is 99 percent of the \$6,165,000 apportionment it was entitled to receive.

Although the district received most of the available state apportionment funds, it needs to improve its student attendance accounting system to ensure that it receives all state apportionment

funds to which it is entitled. During our review, we found the following weaknesses in the district's attendance accounting system.

Days Not Enrolled and Student Enrollment Misstated

The attendance office at the district's two junior high schools, Crozier and Monroe, did not properly determine and then adjust their monthly student attendance for "days not enrolled" during the month. Days not enrolled is the number of days before a student enrolls in a school during the month or the number of days after a student leaves a school. A total lower number of days not enrolled results in a higher ADA, while a total higher number of days not enrolled results in a lower ADA.

Crozier Junior High School overstated the days not enrolled that it reported to the district for the first three months of fiscal year 1990-91. Because this caused Crozier Junior High School to understate its student attendance to the district, the district understated the ADA that it reported to the State for the first principal apportionment (P-1) of the year (July 1, 1990, through December 31, 1990), resulting in the district's receiving approximately \$51,000 less in state apportionments than it could have received for that period. After we informed the district of this error, according to the district's director of fiscal services, the district corrected the understated ADA reported in the second principal apportionment (P-2) and, as a result, will not lose the \$51,000. In addition, he stated that the district has now corrected the procedure that caused this understatement. However, according to the principal at Crozier Junior High School, the school has used incorrect procedures to account for days not enrolled for at least six years.

For the seven-month ADA period in fiscal year 1989-90 that we reviewed for Monroe Junior High School, the school overstated the days not enrolled in one of the seven months and significantly understated the days not enrolled for the other six months in its report to the district. In addition, Monroe Junior High School

understated the student enrollment that it reported to the district for six months of the same seven-month period, and it overstated student enrollment for one of the seven months. Specifically, the attendance office eliminated students twice from its total student enrollment for those students who left the school during the month: once during the month the student left the school and then again from the succeeding month's beginning student enrollment balance. As a result of Monroe Junior High School's misstating the days not enrolled and understating the student enrollment it reported to the district, the district did not receive approximately \$5,000 in state apportionments for fiscal year 1989-90.

Some Students Not Included in ADA

Title 5 of the California Code of Regulations, Section 403, states that a student enrolled in a regular day class is deemed present for the entire school day for apportionment purposes unless absent for the entire school day. Therefore, if a student attends one scheduled class during the day, the student should be counted as attending for ADA purposes.

The district's junior high schools take attendance at the start of the second period of classes for ADA purposes. However, Monroe Junior High School did not include students in its daily student attendance who had absences during the second period of class but who attended their other scheduled classes. Thus, Monroe Junior High School understated its daily student attendance to the district, and the district understated its ADA to the State, resulting in lost state apportionment funds. The school did not retain complete records of students who had unexcused second-period absences, so we could not determine the amount of state apportionments the district has lost.

According to the principal at Monroe Junior High School, the attendance records have not been adjusted to include all students who should be included in ADA for at least three and one-half years. Further, according to the district's director of fiscal services, the junior high schools have no documented procedures for the attendance offices to follow to correctly calculate their monthly student attendance. The director of fiscal services also stated that

personnel from the district's headquarters review each school's ADA calculations but do not review or verify the school's student enrollment and attendance information used in the calculations.

Suspended Students Included in ADA

During our review of attendance accounting procedures at 3 of the district's 13 elementary school sites, we noted that 2 of the 14 teacher's registers that we reviewed identified students on the attendance form as suspended from school, but these students were included in the attendance figure reported to the district and, in turn, reported to the State. When the district includes suspended students in ADA calculations, it overstates the ADA reported to the State, which results in the district's receiving too much in state funds. The Education Code, Section 46010, states, in part, that the absence of a pupil from school or class shall not be deemed an absence in computing the attendance of the pupil in six stated instances; students suspended from school is not one of these instances.

According to the school's principal, the school maintains an in-house suspension program that would qualify suspended students for ADA purposes. However, because the attendance forms do not distinguish between students who were suspended from school, and thus could not be included in ADA calculations, and those who received in-house suspensions, we could not independently substantiate that the school should have included these students in the ADA that it reported to the district.

Wrong Number of Days Used for ADA Calculation

To correctly calculate ADA, the Education Code, Section 46010, requires, in part, that the total days of attendance be the number of days of school actually taught during the year but not less than a designated minimum number of school days. However, the district used an incorrect number of school days for three of its school sites when it calculated ADA for fiscal year 1989-90. Specifically, the district included too many days in the ADA

calculation for two of the schools and did not use enough days for one of the schools. The net effect of using the incorrect number of days in the ADA calculation for two of the school sites (Woodworth Elementary and Project Hope Elementary) resulted in the district's receiving approximately \$5,400 more in state apportionment funds for fiscal year 1989-90 than it was entitled to receive. Because of the additional errors we noted on page 22 of this report in the third school's (Monroe Junior High School) student attendance information, we could not determine if the district received too much or not enough in state apportionment funds as a result of using too many days to calculate its ADA.

**Attendance
Forms Not
Approved**

The district does not have the State's approval for the attendance forms currently used at its two regular high schools. The California Code of Regulations, Section 401(b), states that the California Department of Education must approve forms that high schools use to maintain daily attendance. According to the district's director of fiscal services, he was unaware that the district had not received state approval to use the forms. The director also stated that these schools are using the same attendance forms used by another school district that did receive state approval. However, unless the district receives state approval to use these attendance forms, it is not in compliance with the California Code of Regulations, Section 401(b).

**Student
Attendance
Information Not
Retained**

Two of the district's three elementary schools and one of its two regular high schools that we reviewed did not always retain their student attendance information; consequently, we could not verify if these schools used an appropriate student attendance system. Specifically, one of the five teachers at one elementary school site and all four teachers at another elementary school site that we reviewed did not retain complete student attendance information for March, April, and November of 1990. Also, one comprehensive high school did not retain complete student attendance information for fiscal years 1988-89 and 1989-90.

Title 5 of the California Code of Regulations, Sections 16025 and 16026, require school districts to retain detailed records basic to an audit of attendance and ADA for no less than three years after the third July 1st succeeding the completion of the annual audit required by Section 41020 of the Education Code.

Conclusion

The district's student attendance and reporting system allows it to receive most of the state apportionment funds to which it is entitled. However, the district has not maximized state apportionment funds because not all of the district's schools have accurately accounted for student attendance. In addition, not all of the district's schools have used correct procedures to compile, calculate, or report their average student attendance to the district for up to six years. Finally, some of the district's schools are using attendance forms the State approved another school district to use but has not approved for the district, and some did not retain student attendance information as required by law.

Recommendations

To ensure that it properly compiles and reports its average daily attendance to the State, the district should take the following actions:

- Develop additional written guidelines and provide additional training to ensure that all schools accurately compile and report their student attendance;
- Periodically review each school's student attendance and accounting procedures to ensure that all schools are following established procedures;
- Obtain state approval to use the attendance forms currently used at the high schools; and
- Ensure all schools maintain student attendance records for at least three years after the end of the school year.

Chapter 4 The Inglewood Unified School District Needs To Improve Its Control Over Purchasing

Chapter Summary

The Inglewood Unified School District (district) generally followed required purchasing procedures from July 1, 1987, through March 31, 1991. However, the district needs to improve its control over some aspects of its purchasing system. Specifically, the district could not demonstrate compliance with required purchasing procedures for 7 of the 60 transactions we attempted to review because it could not provide us with all the necessary financial records. Six of these transactions are from fiscal year 1987-88, and one of these transactions is from fiscal year 1988-89. In addition, when financial records were available, we noted that the district did not follow bidding procedures for 3 transactions, did not obtain proper approvals for 2 transactions, and did not follow proper accounting procedures for 4 transactions. Finally, the district did not update policies and regulations governing bidding, approval, or accounting.

Control Over Purchasing Needs Improvement

Based on our review of 40 purchase orders and 20 contracts from July 1, 1987, through March 31, 1991, the district generally followed required purchasing procedures. For each of the 60 transactions in our sample, the assistant superintendent of business services reviewed and authorized the purchase. In addition, the fiscal services office checked all the requisitions we reviewed to verify that the purchases were proper and that funds were available. However, we could not determine if the district followed proper bidding and approval procedures for one purchase order made in fiscal year 1987-88 because the district did not retain the necessary financial records. In addition, we could not determine if the district followed proper accounting procedures

for four purchase orders in fiscal year 1987-88, one contract in fiscal year 1987-88, and one purchase order in fiscal year 1988-89 because the district did not retain the necessary financial records. Title 5 of the California Code of Regulations, Sections 16025 and 16026, require the district to retain financial records for at least three years.

For the transactions with available financial records, the district did not follow proper bidding procedures for three contracts in fiscal year 1988-89, did not obtain proper approvals for one purchase order and one contract in fiscal year 1989-90, and did not follow proper accounting procedures for three purchase orders and one contract in fiscal year 1989-90 or for purchase orders of less than \$500 from July 1, 1987, through June 30, 1990.

Competitive Bids Not Obtained or Advertised

The Education Code, Section 39802, requires that, to procure transportation services at the lowest possible figure consistent with proper and satisfactory service, the governing board shall, whenever an expenditure of more than \$10,000 is involved, secure bids pursuant to the Public Contract Code, Sections 20111 and 20112. These sections require competitive, advertised bids. Section 20112 requires that, for the purpose of securing bids, the board shall publish in a newspaper of general circulation a notice calling for bids. However, the district did not competitively bid two bus service contracts issued for fiscal year 1988-89 that exceeded the \$10,000 expenditure limit established in the Public Contract Code. In addition, for a contract issued in October 1987, the district did not provide evidence that it complied with bid advertisement requirements outlined in the Public Contract Code.

Improper Approval of Purchasing Transactions

The Public Contract Code, Section 20113, states that in an emergency when any repairs, alterations, work, or improvement is necessary to permit the continuance of existing school classes

or to avoid danger to life or property, the board may, by unanimous vote with the approval of the county superintendent of schools, contract on behalf of the district for the performance of labor and furnishing of materials or supplies for the purpose without advertising or inviting bids. Based on an emergency resolution voted on by the board in November 1990, the district entered into a contract to perform emergency repairs at a school without subjecting the contract to competitive bidding. However, because the board did not pass the emergency resolution by a unanimous vote, the district did not obtain the necessary approval to avoid competitive bidding and, as a result, should have complied with the competitive bidding requirements of the Public Contract Code. According to the assistant superintendent of business services, although in this instance the district did not obtain formal quotes as required by the Public Contract Code, Section 20013, it did obtain informal quotes for the work to be performed.

District regulation 3320 requires that the governing board approve all purchase orders. However, from July 1, 1987, through June 30, 1990, the district did not submit purchase orders valued at or below \$500 to the board for approval. In addition, in March 1990, the district did not obtain board approval of one purchase order valued over \$500 before placing the order with the supplier. According to the assistant superintendent of business services, although the district policy established the \$500 limit in 1979, it was not district practice to submit purchase orders at or below \$500 to the board for approval until July 1, 1990.

Improper Accounting Procedures

District regulation 3325 states that the payment of goods and services will be authorized when the goods or services have been certified by the purchasing agent as having been received in an acceptable condition. Also, prudent business practices require that payments to vendors be properly supported by invoices and verified for accuracy before payment. However, for a purchase made in September 1989, the district did not have evidence of

receipt before payment. In addition, the district could not provide evidence that it verified the amount of three invoices agreed with the supporting invoice before payment. For one of the invoices, the district overpaid the vendor by approximately \$16,000. The vendor subsequently returned the amount overpaid.

Effect of Weak Controls Over Purchasing

As a result of not following required bidding, approval, and accounting procedures for purchasing, the district cannot always ensure that it is paying the best price for purchased goods and services, cannot ensure that policy makers agree that the purchase is in the best interest of the district, and cannot ensure that it is paying the correct price for goods and services.

Outdated Purchasing Policies and Procedures

The district has not updated its policies, procedures, and regulations to ensure that they are in compliance with the applicable codes related to purchasing or current practice. A review of the current district policies, procedures, and regulations revealed that, of the 40 legal codes referenced, 10 had been repealed.

For example, the district paid two invoices in 1988 citing the Education Code, Section 40013, as its authority, which states that advance payments may be made for specific types of purchases. However, this code section was repealed before these invoices were paid.

We also found that the district's policies do not reflect current district practices. For example, the district currently purchases textbooks without competitive bidding from the state-approved list at state contract prices. However, district regulation 3321(a) requires, for the purchase of textbooks, that the director of curriculum ask the business office to request bids from book depositories and publishers. Also, the district currently pays invoices before receiving approval from the board to pay those invoices. In contrast, district regulation 3325 states that the board must approve all invoices before payment.

We are not aware that the district's current procurement policies, procedures, and regulations violate any existing laws. However, without updating its policies, procedures, and regulations, the district cannot ensure that it is in compliance with the codes relating to purchasing and that the policies, procedures, and regulations reflect current district practices.

Conclusion

The district generally followed required purchasing procedures from July 1, 1987, through March 31, 1991. However, contrary to state regulations and prudent business practices, the district did not maintain all of the financial records to document that it had complied with all bidding, approval, and accounting requirements. In addition, the district did not always follow proper bidding procedures, did not ensure that all purchases were properly approved, and did not always follow proper accounting procedures. Finally, the district did not update its policies, procedures, and regulations for purchasing to comply with state requirements or current district practice. As a result of these practices, purchases may not always be in the best interest of the district or in compliance with codes.

Recommendations

To improve its control over purchasing, the district should take the following actions:

- Ensure that proper bidding procedures are consistently followed and that supporting documentation of the bidding process is maintained;
- Ensure that the purchase of goods and services is properly approved before receipt and payment;
- Ensure that all payments to vendors are properly supported by vendor invoices before payments are made and that requisition and payment documentation is maintained;

- Ensure that the receipt of goods and services is certified as having been received in acceptable condition before payment; and
- Update its policies to ensure compliance with the codes and current district practice.

Chapter 5 The Inglewood Unified School District's Budget Process Appears Reasonable

Chapter Summary

The Inglewood Unified School District's (district) budget process for fiscal year 1988-89 through 1990-91 appears reasonable. The district's management has encouraged all interested parties, including parents, principals, teachers, and other district employees, to participate in the process to ensure that the district has identified and prioritized the needs of the district's schools. To give each school some discretion over how funds are spent, the district allocates funds for certain expenses to each school and, except for the allocation of textbooks, allows the schools to determine how best to spend funds. Although the budget process is complicated by several factors, the district prepared budgets responsibly by including conservative revenue estimates, by having projected revenue be greater than projected expenditures, by budgeting adequate reserves, and by obtaining prompt and appropriate approvals. However, management did not always obtain board approval before exceeding budgeted expenditures.

All Interested Parties Included in Budget Process

When determining whether the district included all interested parties in the budget process, we were concerned about three possibilities. First, we were concerned that school sites might have no discretion over how funds were spent for items such as textbooks and instructional supplies. Second, if school sites were given some discretion, we were concerned that the school site administration might not allow teachers and parents to participate in planning the expenditures of the school. Third, we were concerned that there might be no method to resolve spending conflicts between the needs of the various school sites and the

needs of the central administration office of the district. We found that the district had procedures in place to minimize each of these concerns.

To give each school some discretion over how its resources were spent, the district allowed schools to tailor the resources it allocated to them, except the textbook funds, to fit their individual needs. Although the district based a school's allocation on its enrollment, each school could adjust how its allocation would be divided for supplies (including instructional, office, custodial, and maintenance supplies), repairs, and mileage according to its assessment of needs. In contrast, the textbook allocation could be used only for textbooks; however, according to the district's director of fiscal services, the schools could choose to allocate more funds to textbooks if desired. In addition, the district's management amended the textbook allocation by ordering textbooks for most of the district's schools through the State's Instructional Material Fund. For fiscal years 1987-88, 1988-89, and 1989-90, the district ordered approximately \$666,000 in textbooks.

To ensure that the funds allocated to the schools were used to meet the needs of the individual schools, seven of the eight school administrators in our survey employed procedures that allowed teachers and parents to participate in planning the future expenditures of the schools. The eighth school administrator, the principal of Inglewood High School, did not respond to our survey. In addition, each of the seven school administrators identified a system to identify and prioritize the school's needs so that the school would spend the funds in the most beneficial areas.

To help resolve conflicts between needs of the schools and those of the district operations, the district's management developed an advisory committee that included representatives for parents, principals, teachers, and other district employees to help define district needs and to decide on future expenditures. The advisory committee presents its recommendations to the district's governing board, but the Education Code, Section 42127, makes the district's governing board responsible for approving the final budget.

**District
Responsibly
Prepared Its
Budget**

Although the district's budget process is complicated by several factors, the district prepared its budgets responsibly. Specifically, its revenue projections were reasonable and did not result in revenues significantly different from projected revenues. For fiscal years 1988-89, 1989-90, and 1990-91, the district's actual revenues exceeded its projected revenues. Furthermore, because the district's budgeted expenditures did not exceed projected revenues for fiscal years 1988-89, 1989-90, and 1990-91, its budgets for those years were balanced. They also included a reserve for economic uncertainties that ranged between 2.5 percent and 3.7 percent. The California Department of Education's guidelines state that a school district the size of the district should have a 3 percent reserve for economic uncertainties. The California Department of Education defines economic uncertainties as unforeseen emergencies that might jeopardize the district's ability to attain the educational goals that it has established. We also found that the governing board approved the district's tentative budgets on or before July 1 and the district's final budgets by August or September of each year, as required by the Education Code, Section 42127. Last, the district's budgets were approved by the Los Angeles County Office of Education, and the district's management addressed any concerns of the county.

One factor complicating the district's budget process is salary negotiations, which sometimes are not completed until long after the budget has been adopted. For example, in fiscal year 1989-90, salary negotiations were not completed until May 1990, although the district had adopted its final budget in September 1989. The budget process is further complicated because the district must budget funds to provide sufficient instructional services (such as hiring teachers, buying books, and renting classrooms) to students who enroll; however, it does not receive state apportionment revenues for enrolled students who are absent from school and not included in the average daily attendance calculations because their absences were unexcused.

**Budgeted
Expenditures
Sometimes
Exceeded
Without
Approval**

The Education Code, Section 42600, states that a school district may not exceed proposed expenditures for major expense classifications such as certificated salaries, classified salaries, employee benefits, services and other operating expenses, books and supplies, and capital outlay without written resolution from the district's governing board. For example, for fiscal year 1989-90, the district did not obtain the board's approval to exceed certain major expense classifications until June 27, 1990. Although the district monitored actual expenses to ensure that it complied with its budgeted expenditures, it did not immediately notify the governing board that its spending priorities had changed and did not immediately identify how it planned to finance the increased expenses.

Failure to obtain board approval before incurring expenses that will exceed the major expense classification could result in the district's management changing spending priorities that the governing board does not approve of or in the district's not having sufficient reserves to finance additional expenses. According to the district's director of fiscal services, the district did not always obtain prior board approval for expenses it considered necessary for the health, safety, and welfare of the district's employees and students.

Conclusion

We found the district's budget process for fiscal year 1988-89 through 1990-91 to be reasonable. In addition to attempting to include all interested parties in the process to ensure that district needs were met, the district prepared budgets responsibly. Specifically, its revenue estimates were conservative, and its projected revenues were greater than projected expenditures. It also budgeted adequate reserves and obtained prompt and appropriate approvals for its budgets. However, district management did not always obtain prior board approval to exceed budgeted expenditures.

Recommendation To ensure that it is in full compliance with the Education Code, the district should obtain board approval before exceeding budgeted expenditures in major expense classifications.

Chapter 6 The Inglewood Unified School District's Revenues and Expenditures Are Comparable to Other School Districts' Revenues and Expenditures

Chapter Summary

The Inglewood Unified School District's (district) revenues for fiscal year 1987-88 through 1989-90 were comparable to all but one of the five school districts we compared with the district. In many areas, such as maintenance, books and supplies, and equipment, the district's expenses are also comparable to the expenditures of the other five districts. However, our analysis of the district's expenditures indicated that some expenditures, such as workers compensation for instructional personnel, increased at a very rapid rate (approximately 36 percent per year) and were not comparable to the other school districts. Finally, the district spent a slightly smaller percentage of its total expenditures on instructional services than did three of the five school districts we compared with the district.

Revenues Are Comparable to Other School Districts

We identified five other school districts with an average daily attendance (ADA) similar to that of the district and found that the district receives approximately the same amount of revenues as four of those five districts. This revenue is based on approximately \$3,500 per ADA in state, federal, and local revenues. The fifth school district in our comparison received approximately \$600 more per ADA because it received significantly more in property tax and interest revenues. Appendix C summarizes the revenues that the district and these five school districts received for fiscal year 1987-88 through 1989-90.

**Expenses Are
Comparable to
Other School
Districts**

Overall, the district's expenses are also comparable to the expenses of the five school districts in areas such as maintenance, books and supplies, and equipment. However, the district spends significantly more as a percentage of total expenditures in certain areas and less in others. For example, the district spends more for rentals, leases, and repairs and less for transportation salaries. Rentals, leases, and repairs include the rental of portable classrooms, contracted bus services, and maintenance agreements and charges for repairs; transportation salaries are for bus drivers.

According to the district's assistant superintendent of business services, the district spends more for rentals because it rents portable classrooms to house its growing student population. It spends more for leases and less for transportation salaries because it does not have home-to-school busing and must contract for certain busing services. Appendix D summarizes all the district's expenditures for fiscal year 1987-88 through 1989-90 as well as the expenditures for the five districts that we compared with the district.

**Total Expenses
for the Past
Five Years**

The district's expenses increased by 30 percent, approximately \$14 million, for fiscal year 1985-86 through 1989-90. Of this \$14 million, approximately \$9 million related to employee salary increases of 21 percent for certificated and classified employees and 17 percent for management employees during the five-year period. The following table summarizes the district's expenses that increased by \$1 million or more between fiscal year 1985-86 through 1989-90. Appendix E summarizes the district's expenses for fiscal year 1985-86 through 1989-90.

District Expense Categories
Showing an Increase of \$1 Million or More
Fiscal Year 1985-86 Through 1989-90

	Fiscal Years					Average Annualized Percentage Increase
	1985-86	1986-87	1987-88	1988-89	1989-90	
Teacher salaries	\$19,085,520	\$20,153,074	\$21,990,675	\$22,224,120	\$23,739,416	5.61%
Workers' compensation benefits						
Instructional	456,988	628,219	660,857	698,788	1,565,977	36.06
Noninstructional	352,485	252,474	421,005	372,146	488,885	8.52
Other certificated	620,318	878,019	1,321,411	1,381,165	1,825,855	30.98
Other classified	1,290,439	1,516,995	1,634,517	1,860,854	2,387,568	16.63
Health and welfare benefits						
Instructional	2,225,208	2,232,666	2,680,237	3,002,991	3,190,709	9.43
Noninstructional	804,740	1,434,787	1,451,886	1,605,429	1,817,288	22.59
Other services and operating expenses	383,301	724,955	1,027,701	1,373,956	1,502,197	40.70

We discussed the significant differences with the district and noted the following.

Teacher Salaries

The 5.6 percent annualized increase in teacher salaries does not appear to be attributable to an increase in teacher positions because the district has nearly the same number of teachers in fiscal year 1990-91, 560, as it had in fiscal year 1986-87 when it had 561 teachers (district records for fiscal year 1985-86 teacher positions were not available). Instead, the increase is primarily attributable to the increase in teacher salary rates that the district has approved since fiscal year 1985-86. In addition, teachers have received automatic salary increases each year and qualified for additional increases by earning additional college credits. Also, according to the district's assistant superintendent of business services, the district's expenses for substitute teachers have increased because it has had to hire more substitute teachers than in previous years to replace teachers who are absent from work because of illness, personal necessity, bereavement, and other reasons.

Although the district has increased its salary rates for teachers, it spends less of its total expenses on teacher salaries than do the five school districts we compared it with. On average, the district spent 41 percent of its total expenses on teacher salaries for fiscal year 1987-88 through 1989-90 compared with the other districts, which spent from 44 percent to 46 percent of their total expenses on teacher salaries. Furthermore, the results of a survey by the Los Angeles County Office of Education in fiscal year 1990-91 indicated that the district's teacher salaries are one of the lowest in Los Angeles County. Despite the comparatively low salaries, the district reported spending at least 55 percent of its total current expenses on teacher salaries and benefits for fiscal years 1987-88, 1988-89, and 1989-90 as required by Section 41372 of the Education Code because its health and welfare benefits are comparable to the other school districts and because its workers' compensation benefits are higher than the other districts.

Workers' Compensation

The district spends significantly more for workers' compensation benefits than do four of the five school districts we compared it with. On average, the district spent 2.5 percent of its total expenses on workers' compensation expenses for fiscal year 1987-88 through 1989-90 compared with four of the other districts, which spent from 0.37 percent to 0.73 percent of their total expenses on workers' compensation expenses. The fifth district spent 1.52 percent of its total expenses on workers' compensation expenses.

Since fiscal year 1985-86, the number of claims has increased from 192 at a total cost of approximately \$947,000 to 285 at a total cost of approximately \$1.3 million in fiscal year 1989-90. The cost peaked in fiscal year 1988-89 with 283 claims at a total cost of \$1.6 million. Although our review included only the five years from fiscal year 1985-86 through 1989-90, we noted that the district's expenses in this area has significantly increased in the last 11 years. For example, in fiscal year 1979-80 the district processed only 31 claims at a total cost of \$335,000.

According to the district's risk manager, the district's expenses for workers' compensation have increased because in recent years the district's administration has encouraged employees to report all injuries. In addition, the risk manager stated that medical costs have increased approximately 15 percent to 20 percent each year, and more litigations for stress claims have increased legal fees.

Other Certificated Salaries

The district spends significantly more of its total expenses in salaries for "other certificated employees" than do the five school districts that we compared it with. Other certificated salaries include special education teachers, coordinators, and specialist positions. On average, the district spent 2.74 percent of its total expenses on other certificated salaries for fiscal year 1987-88 through 1989-90 compared with four of the other districts, which spent from 0.13 percent to 0.77 percent of their total

expenses on other certificated salaries. The fifth district spent 2.2 percent of its total expenses on other certificated salaries.

According to the assistant superintendent of business services, the schools within the district have increased the number of school site coordinators and specialists, and these positions are used to implement the objectives of the state and federal grant programs through which they are financed. In addition, the district's salaries for special education teachers have increased because the district has filled several positions in recent years.

Other Classified Salaries

The district spends more of its total expenses on "other classified employees" than do the five school districts we compared it with. Other classified employees include noon supervision personnel, library aides, program aides, health aides, student workers, peace officers, and campus supervisors. On average, the district spent 3.55 percent of its total expenses on other classified salaries while the other districts spent from 0.37 percent to 1.50 percent of their total expenses on other classified salaries for fiscal year 1987-88 through 1989-90.

According to the assistant superintendent of business services, expenses for other classified employees have increased because the district has replaced certificated nurses and librarians with health technicians and library aides. Additionally, the district has increased clerical needs as a result of both opening year-around schools and providing services to a growing student body. It also has had to hire classified substitutes to replace staff out on sick leave or on leave related to workers' compensation and has had to fill positions for which the district has been slow to hire permanent staff. Also, we noted that the district has increased summer school assignments by approximately 325 percent since fiscal year 1987-88.

In addition, according to the district's assistant superintendent of business services, the district has expanded its security department by hiring seven new campus supervisors and three

new peace officers since fiscal year 1986-87. It has also increased the amount of overtime that peace officers work by approximately 217 percent.

Health and Welfare Benefits

Although the district's expenses for health and welfare benefits for instructional and noninstructional personnel have increased, its expenses in this area are comparable to the school districts we compared it with. On average, the district spent 8.31 percent of its total expenses on health and welfare benefits for fiscal year 1987-88 through 1989-90. The other districts spent from 5.96 percent to 9.48 percent of their total expenses on health and welfare benefits, two of them spending approximately 8.5 percent of their total expenses on health and welfare benefits. All of the districts' benefit premiums for health care have significantly increased since fiscal year 1986-87. For example, the cost of health insurance has increased by 124 percent for both other certificated and other classified employees.

Other Services and Operating Expenses

The district spends more of its total expenses for "other services and operating expenses" than four of the five school districts we compared it with. Other services and operating expenses consist of miscellaneous expenses in operating the district. For fiscal year 1987-88 through 1989-90, the district spent, on average, 2.36 percent of its total expenses on other services and operating expenses while the other four districts spent from 1.15 percent to 1.79 percent of their total expenses on other services and operating expenses. The fifth district spent 3.58 percent of its total expenses on other services and operating expenses.

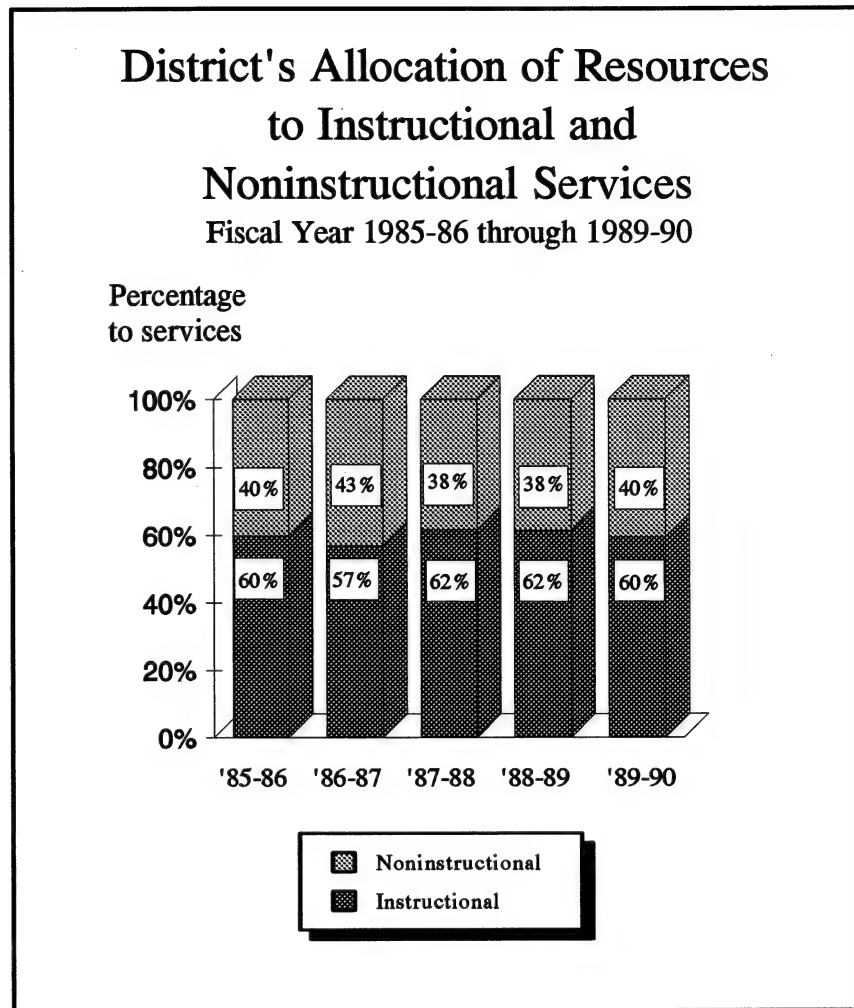
The district's expenses in this area have increased for several reasons. For example, the district incurred fees related to issuing certificates of participation; its expenses for its early retirement program have increased; it hired a consultant to work with the district's proposed construction project for a new high school and

a project for restructuring the district's schools; and it has increased expenses for services provided to special education children whom the district sends to other school districts to educate.

**Instructional
Service
Expenditures
Are Slightly
Less Than
Three
Comparable
Districts**

The district used from 57 percent to 62 percent of its available resources for instructional services from fiscal year 1985-86 through 1989-90, exceeding its expenditures for noninstructional services each of those years. The district spent a larger percentage of its total expenses for instructional services when budget constraints existed because it made the largest reductions to noninstructional expenses such as supplies, salaries for classified positions, and custodial and maintenance services. Figure 1 summarizes the district's spending for instructional and noninstructional services for fiscal year 1985-86 through 1989-90. The footnotes on Appendix E identify the expenses classified as instructional and noninstructional.

Figure 1



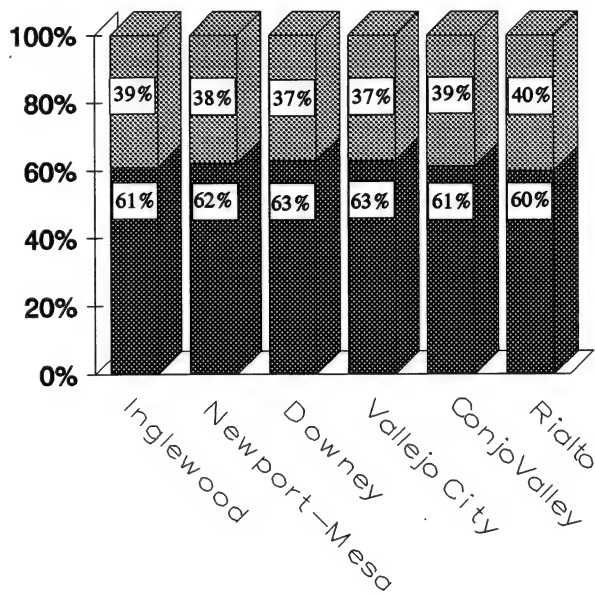
Although the district spent approximately 61 percent of its funds on instructional services from fiscal year 1987-88 through 1989-90, it spent a slightly smaller percentage of its total expenses on instructional services than did three of the other school districts in our comparison. The district spent less of its total expenses on instructional services because it spent less for teacher salaries, librarians, and instructional aides while it spent more for noninstructional services such as other classified salaries and rental, leases, and repair expenses. Figure 2 summarizes the district's total expenses for instructional and noninstructional

services for fiscal year 1987-88 through 1989-90 and compares them with the expenses of the five school districts we compared it with for the same period.

Figure 2

**Comparison of the District's
Instructional and Noninstructional
Services with Other School Districts'**
Fiscal Year 1987-88 through 1989-90

Percentage
to services




Noninstructional
Instructional

Conclusion The district's revenues are comparable to all but one of five school districts we compared with the district. Also, in many areas, such as maintenance, books and supplies, and equipment, the district's expenditures are comparable to the expenditures of other school districts. Our analysis of the district's expenditures indicate that some expenditures, such as workers' compensation for instructional personnel, were increasing at a very rapid rate, approximately 36 percent per year, and were not comparable to the five other districts. Finally, the district's spent a slightly smaller percentage of its total expenses on instructional services than three of the five school districts we compared it with.

We conducted this review under the authority vested in the auditor general by Section 10500 et seq. of the California Government Code and according to generally accepted governmental auditing standards. We limited our review to those areas specified in the audit scope section of this report.

Respectfully submitted,


KURT R. SJOBERG
Auditor General (acting)

Date: August 26, 1991

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California State Department of Education
Review of Graduation Requirements
and Student Records

of

*Inglewood Unified School District
High Schools*

March 9, 1990

Prepared by: Ples Griffin, Ph.D.
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REPORT
REVIEW OF GRADUATION REQUIREMENTS AND
STUDENT RECORDS OF INGLEWOOD UNIFIED SCHOOL DISTRICT HIGH SCHOOLS

Background and Procedure

On November 16, 1989, the California Department of Education received a letter addressed to Dr. James R. Smith, Deputy Superintendent for Curriculum and Instructional Leadership from Dr. George J. McKenna, Superintendent of Schools, Inglewood Unified School District (USD). Superintendent McKenna requested Department assistance in examining the recording of grades on student transcripts and issuance of diplomas to students in the high schools of the Inglewood Unified School District.

Dr. McKenna asked that the examination focus on the following areas:

1. The grades recorded on student transcripts at the high schools for the past five years, comparing grades in teacher roll books to grades entered on official transcripts.
2. The issuance of diplomas, confirming of graduate status on students, and participation in graduation exercises by students, compared to student grades, minimum credits, and appropriate courses required for graduation.
3. The process used to change student grades, both in the roll books and the official transcripts, including the adherence to appropriate administrative and legal guidelines.
4. The process used to record grades on official Inglewood schools' transcripts, for students who have transferred into the district from other districts.
5. The process of accountability for both certificated and classified staff who are responsible for recording of grades, accuracy of records, adherence to legal requirements and sound administrative procedures, and identification of individuals responsible for monitoring the process.

The purpose of the examination was to determine if there were any irregularities in grading procedures and determining high school graduation.

Dr. Smith, in cooperation with the Deputy for Field Services Branch and the Deputy for Legal and Audits Branch appointed a team to conduct the review of records. The team was composed of members

of the three branches identified and consisted of an administrator, a management services field representative, and a management auditor.

The team conducted site visits during the week of February 6 through February 10, 1990, including an initial meeting with the Superintendent and his Administrative Assistant at Inglewood School District Office. Following the initial meeting, the team visited each of the three high schools. Due to the Superintendent's involvement in an emergency situation at one of the District's schools, an exit interview was held with the Administrative Assistant.

At each site, school staff members were open, helpful, and willingly provided most of the requested records. They responded to all questions the team raised. The staff's cooperation greatly facilitated the team's task.

Procedure

Each school provided the team with a list of potential graduates. The list was compiled toward the end of the first semester of the twelfth grade. The assumption was that the credits earned, combined with the credits to be earned during the second semester, would be sufficient for graduation. From these lists, the team randomly selected a sample of students. The team reviewed their transcripts to determine if they had completed 230 credits, the necessary credits in specific subject areas, and passed all parts of the proficiency tests.

From this sample, a smaller sample was taken for the purpose of comparing grades recorded on the students' transcripts with the grades recorded in the teachers' roll books. The team discovered that in the two comprehensive high schools, a summary grade sheet was produced. The team compared the grades on this record to those on the transcript and teacher's roll book to determine if they were consistent.

The team discussed procedures for recording and changing students' grades with the school administrators who assisted them. These discussions also included issues concerning the storage and retrieval procedures employed in handling student transcripts.

The Inglewood Unified School District requires the completion of a minimum of 230 credits. Each student must successfully complete the following number of credits in each of the specified subject areas:

English	40 credits
Social Studies	30 credits
Mathematics	30 credits
Science	20 credits
Physical Education	2 years
Fine Arts/Foreign Lang.	10 Credits
Computer Literacy	5 credits
State Requirements	5 credits

Satisfactory completion of all parts of the proficiency examination

The body of the report that follows will present the team's findings from each of the three high schools (Inglewood, Morningside, and Hillcrest Continuation). Generally, the recommendations will be stated broadly and are intended to apply to all three high schools. However, because some procedural differences exist among the schools, recommendations intended for a specific school will be identified.

Review of Inglewood High School Records

Examination of Transcripts at Inglewood High School

The review team selected at random the names of 23 students on the list of diplomas ordered for the June 1989 graduation. The review team was unable to obtain a list of non-graduates from the staff. Official transcripts for each of the students selected were reviewed to determine if the students met the requirements established by the district and state for graduation.

Findings: After reviewing the records for the 23 selected students, the review team determined the following:

Five students were non-graduates.

Nine students met all of the graduation requirements.

Four students had less than the required 230 units needed for graduation:

One student had only 200 units.

One student had only 170 units and was short 10 units of science and 10 units of English.

One student had only 220 units and was short 5 units of mathematics, 5 units of science, and 5 units of social science.

One student had only 225 units and did not have the 10 credits for any fine arts/foreign language.

Five students failed to complete the necessary credits in the subjects established by the District Board for graduation:

One student did not have any record of having taken physical education.

One student did not have any record of having taken computer literacy.

One student only had a record of 1 1/2 years of physical education.

One student was short 5 units of science.

One student was short 5 units of mathematics and 5 units of fine arts/foreign language.

The review team had to refer to documents other than the students' official transcripts to determine if all of the graduation requirements were met.

Recommendation 1: The review team recommends that the district strengthen its process of checking to ascertain if students meet the graduation requirements.

Rationale: The governing board and the administration have deliberated many hours in establishing the diploma requirements. To grant a diploma to a student who failed to meet these requirements degrades the value of the diploma for those students who have met all of the criteria.

Comparison of the report card, the teacher's grade report summary sheet, and the teacher roll book

The nine students that met all of the graduation requirements were selected for further review. Using a copy of the spring semester report cards, which indicates the instructors name for each class the student is enrolled in, a comparison was made with the teacher's grade report summary sheet and the teacher's roll book.

Findings: The review team found that five of the nine student records had some type of irregularity, as noted below:

One student received a grade on the report card but the student's name was not listed on the teacher's grade summary sheet.

One student had an "A" on the report card, but the teacher's roll book and the official transcript indicated a grade of "B."

One student had a "C" on the report card and a "C-" on the official transcript.

One student had a "D" on both the official transcript and on the report card, while the teacher's grade summary sheet indicated a "D-" for one class. For another class the student had an "A" on the official transcript and on the report card, while the teacher's grade summary sheet indicated an "A-."

One student had a "D" on both the report card and the official transcript, while the teacher's grade summary sheet listed a "C."

Comparison of the Southern California Regional Occupational Center (SCROC) printout of student grades, the teacher's grade report summary, and the student's report card for 6 students

The review team compared the printout of student grades from SCROC to the teacher's grade summary report and the student's report card. The following discrepancies were noted for three of these students:

Student	Report Card	SCROC Printout	Grade Summary Sheet
1	C	D	C
	F	Blank	NG (No Grade)
	Blank	Blank	C+
2	D-	Blank	D
	✓ B	C	Blank
	✓ D	Name not listed on SCROC printout	Blank

Blank indicates no mark was recorded.

Recommendation 2: The review team recommends that teachers exercise greater care in recording grades on the teacher's grade summary sheets.

Recommendation 3: The review team recommends that the counseling office compare the teacher's roll book and the grade summary sheet for correct transcription of the grade, prior to using the grade summary sheet as an input document into the computer.

Rationale: It is imperative that the district maintain the integrity of its grading system. The disparity of student grades between the teacher roll book, the grade input sheet (scantron sheet) and the student transcript is unacceptable and brings into question all of the student grades.

Review of Morningside High School Records

The review team selected at random the names of 20 students who graduated from Morningside High School in June 1989. The review team then examined these student transcripts to ascertain if they met the graduation requirements established by the state and the local governing board.

Findings: Of the 20 students selected, 16 met all of the criteria established by the local governing board and the state. However, one student was short 10 credits of science, another 5 credits of physical education, and a third student had only 25 credits of mathematics and a total of 225 credits. We were unable to find the transcript for one student.

Recommendation 1: The review team recommends that the district strengthen its process of checking to ascertain if students meet the diploma requirements.

Rationale: The governing board and the administration have deliberated many hours in establishing the diploma requirements. To grant a diploma to a student who failed to meet these requirements degrades the value of the diploma for those students who have met all of the criteria.

Comparison of Teacher Roll Book, Scantron Sheet and Transcript

Findings: The review team next examined the teacher roll book, the grade input sheet (scantron sheet), and the transcript. The review team examined the records of 8 of the 20 students included in the transcript analysis at Morningside High School. The review team wanted to ensure that the grades recorded in the teacher roll book, the scantron sheet, and the transcript were the same.

Of the eight students whose records were examined, grades matched on all three documents for three students. For the other five students, the review team found the following exceptions:

Student 1 - No grade in the teacher roll book while transcript indicated "A"

Student 2 - No grade in the teacher roll book while transcript indicated "B"

Student 3 - Teacher roll book C, scantron sheet B, transcript blank. For another class - no grade in roll book, scantron sheet "A," transcript blank

Student 4 - No grade in teacher roll book, scantron sheet B, transcript "B"

Student 5 - Teacher roll book "C", scantron sheet blank, transcript was marked "NG" - no grade

For another class, the student had a "C" in the teacher roll book, the scantron sheet indicated "D," and the transcript had a "D"

Recommendation 2: The review team recommends that teachers exercise greater care in recording grades on the scantron sheets.

Recommendation 3: The review team recommends that the counseling office review the scantron sheets as compared to the transcript to ascertain if there are differences in grades.

Rationale: It is imperative that the district maintain the integrity of its grading system. The disparity of student grades between the teacher roll book, the grade input sheet (scantron sheet), and the student transcript is unacceptable and brings into question all of the student grades.

Concurrently Enrolled Students

Findings: The review team was provided a list of 17 students who were concurrently enrolled in an adult education class while attending regular classes at Morningside High School. Fifteen students had passing grades while two students dropped out of the class. There was no evidence that the grades earned in the adult class were recorded on the students' transcripts.

Recommendation 4: The review team recommends that all grades earned by students of Inglewood Unified School District be recorded on their transcript.

Rationale: The transcript should depict all grades earned by the student. To fail to include grades on the transcript that were earned by the student could jeopardize the student's chances of earning a diploma or entering a school of higher learning. Also, if a student transfers from the Inglewood Unified School District to another district, that student could lose credits that had been rightfully earned.

Retention of Transcripts

Findings: The review team was unable to locate the transcript of one student selected in the sample of records to be analyzed at Morningside High School.

Recommendation 5: The review team recommends that the district examine its procedures to ensure that all transcripts are retained permanently.

Rationale: By law, transcripts are permanent records. As such, they are to be retained indefinitely. If a student was to ask that a copy of his/her transcript be sent to a college or university or to a prospective employer, the district would be unable to respond since they have either lost or misplaced the records.

Security and Confidentiality of Students Grades

Findings: The student transcripts are kept in cardboard boxes on counselors' desks during the school day. At night they are placed in a vault located in the high school office. Often during the day these records are left unattended for several hours at a time while the counselors are out of their office.

These records could be accessed by anyone in the high school office including administrators, other counselors, counselor aides, clerical personnel, and students working in the high school office.

Recommendation 6: The review team recommends that the administration devise procedures for assuring that access to student records is limited to authorized personnel.

Rationale: The California Code of Regulations Title 5 section 431 and Education Code section 49060 provides for the security and confidentiality of students' records.

Records Filing and Retention

Findings: The staff at the two comprehensive high schools were unable to provide some of the records that the review team requested because they had been either lost or destroyed. Other records were difficult to locate because they had not been systematically filed.

Recommendation 7: The review team recommends that the clerk in charge of the student records at each school establish a filing system that lends itself to rapid retrieval of all records.

Recommendation 8: The review team recommends that all the record clerks become familiar with the district's record retention manual.

Rationale: The purpose of all filing systems is to provide prompt retrieval of all records. All of the high schools need to review their filing systems, including their classification system, their equipment needs; i.e., file cabinets, microfilm, etc., and training and supervision of staff responsible for student records.

All school districts should have their own schedule of retention and destruction of all records that is based on legal requirements and useage. This should provide clear direction to all staff, including those responsible for student records as to when records

are to be purged and destroyed. If the district does not have a records retention manual, the review team suggests that the district contract Mr. Bruce Zentil at the Los Angeles County Office of Education. Mr. Zentil was chairman of a California Association of School Business Officials (CASBO) committee that developed a model manual in 1985 that Inglewood Unified would find useful.

Computer System

Findings: The district is attempting to implement a new computerized grading system at Inglewood High School. As soon as this system becomes operational, it will be expanded to include Morningside High School. The people responsible for implementing this system at Inglewood High School feel that this new system is not meeting their needs. They also indicated that the software support being provided to the district by a firm in Texas is not adequate.

Recommendation 9: The review team recommends that the district contact the software firm in Texas to ascertain if the present system can be modified to meet their needs.

Rationale: The new system should provide security and confidentiality for the students, yet provide easy access to staff members who rightfully need and use this information.

The new system should also automatically provide the counselors with a list of those classes that each student still needs to complete in order to earn his/her diploma.

The new system should also be designed to minimize errors between the teachers' roll book and the computer input document. The staff members at Inglewood High School should make sure that the new system completely meets their need before the system is expanded to include the other high school.

General Recommendations

Recommendation 1: The Review Team recommends that the district establish procedures that will require the posting on a student's transcript, within 30 days following course completion, the credits the student earned through adult education, summer school, or any approved auxillary educational institution.

Rationale: The Review Team found that there were some students who had taken courses in adult education programs and the credits from those courses had not been recorded on the student's transcript. The timely transfer of grades to the official transcript is important to the student. Delays in recording such work could mean the denial of additional educational or employment opportunities for the student. Please see the rationale for Recommendation 4, for additional support.

Recommendation 2: The Review Team recommends the district include in its computerized "students records" software a program that will alert "clients" (students, parents, and counselors) of students' progress toward graduation.

Rationale: Such a system should "flag" or otherwise alert "clients" of dangers (e.g., need to repeat courses, impending credit deficiencies, course deficiencies) in time to initiate corrective action. The use of a computer program for this purpose would eliminate the laborious, time consuming manual review of records.

Recommendation 3: The Review Team recommends the district establish a uniform procedure for changing students' grades. This procedure should include the use of a district form that requires information including course name, date of original grade, new grade, reason for change, teacher's name and signature, and principal's signature.

Rationale: Student grade changes are governed by statute and regulation. Such changes should be carefully documented and justified. The justification should be kept on file according to the district policy on record retention.

Observations

The comments that follow do not relate precisely to the areas of focus identified by Superintendent McKenna. They do relate to the underlying intent of the SDE review; that is, to support Dr. McKenna's goal of improving the student record-keeping system at the district's high schools. The observations and recommendations address that intent:

Observation 1

Although most teachers' role books had records of students' daily work and grades earned from that work, some teachers assigned semester grades with no daily grades that would justify the semester grade.

Recommendation 1: The review team recommends that teachers exercise greater care in recording grades of students' daily work that contributes to and justifies the final grade the students earn. It is further suggested that this practice become an item for consideration in teachers' performance evaluations.

Rationale: The final grades in each class represent the total work performed by the student for the semester. The grade should be based on criteria established for the course, consistent with the school's grading policy that is provided each student. The grades earned from homework, class exercises, tests, oral presentations, written work, and other class requirements should be accurately recorded. This record should be available to students, parents, counselors, and administrators to give a picture of each student's progress at any time during the semester. These grades, with other criteria, must be the basis for the final semester grade.

Observation 2

A few students' grades in some classes appear to be inappropriate based on evidence contained in the teacher's roll book. For example, a teacher of a performing arts class recorded "A" grades for some students who had large numbers of absences and tardies.

Recommendation 2: The review team recommends that grading practices be consistent with the grading policy of the district.

Rationale: Students' experience in classrooms should provide opportunities for them to learn a number of things, including subject matter content. Regular attendance and punctuality are among the important values taught. These values are especially important in group performance settings where the group's success is inextricably tied to the presence and performance of its members. A teacher's awarding top grades to students in the face of poor attendance seems to deliver an inappropriate message.

Summation

The Department of Education Review Team found problems with student grades and the completion of graduation requirements in each of the high schools in the Inglewood Unified School District. The Review Team is unable to conclude that the problems detailed are the result of an individual's (or several individuals') deliberate acts. This review suggests that the problem is inadvertant rather than deliberate, characterized by staff carelessness and probably involves the responsibilities of several staff members (teachers, counselors, clerks, and administrators). Greater care and attention should be given to keeping complete and accurate class records, transferring grades to summary grade sheets and to student transcripts. Whether done manually or by computer, a more accurate determination needs to be made of each student's accumulation of credits and completion of specific course requirements.

To assure accurate records will require diligence, care, and regular monitoring. The students the district serves deserve no less.

**RECOMMENDATIONS FROM THE MANAGEMENT REVIEW TEAM
OF THE LOS ANGELES COUNTY OFFICE OF EDUCATION**

SUMMARY OF RECOMMENDATIONS

The recommendations listed below are summarized here for the benefit of the reader. The page number on which each recommendation is discussed is indicated immediately following each recommendation.

The Team has not attempted to prioritize the recommendations. It is our suggestion that the District develop a list of all acceptable recommendations, place them in order of priority, and follow-up on a pre-arranged schedule of review.

FISCAL SERVICES

It is recommended that:

- (1) the District develop long-range financial plans.
- (2) the District implement a formal management by objective (MBO) program.
- (3) the District consider adopting its budget on July 1.
- (4) the District appoint an Audit Committee.
- (5) the Internal Operations Auditor prepare an annual audit plan.
- (6) responsibility for the instructional materials purchasing functions be assigned to Purchasing and that attendance accounting activities be transferred to Fiscal Services.
- (7) a standard procedure for accounts payable be established to ensure that payments are made in a timely manner and that duplicate payments are not made.

- (8) the accounts payable staff mail out the warrants for taxes and other payroll related payments.
- (9) the accounting and budgeting area have partitions or some type of dividers installed to provide a less distracting work environment.
- (1 0) the vacant data entry clerk position be filled.
- (1 1) a single schedule for year round schools be used.
- (1 2) clerical assistance be made available to payroll staff.
- (1 3) payroll staff have access to microcomputers with spreadsheet and word processing software.
- (1 4) all spreadsheets be done on microcomputers.
- (1 5) a system be established that employees can use to make appointments with the payroll staff.
- (1 6) all absence forms be sent to the payroll.
- (1 7) a member of the payroll staff participate in the new teacher and staff orientation meetings.
- (1 8) requests for employment verification and other similar requests be assigned to the personnel department.
- (1 9) the distribution of mail from the Joint Educational Transit Delivery service be assigned to the mail services area.
- (2 0) the District purchase window envelopes for pay warrants which are mailed, or when confidentiality of the warrant must be maintained.
- (2 1) the District update the computer services plan to provide for more efficient and cost-effective use of available computer resources.
- (2 2) the District appoint an information systems planning and review committee.

- (23) the District strongly encourage school staff to more fully use the information and resources of the student information system.
- (24) when funds are available, the District hire a network manager to diagnose and correct operational problems.
- (25) a plan be adopted for automating sites for attendance accounting.
- (26) the District implement a plan for off-site storage of backup files.

RISK MANAGEMENT

It is recommended that:

- (27) one clerical person be hired.
- (28) a formalized written safety program be established.
- (29) the \$20,000 settlement authority be re-evaluated.
- (30) an electronic data processing (EDP) system for storing and managing risk management information be developed.
- (31) the District consider joining a joint powers authority for the procurement of employee benefit programs.
- (32) the Risk Management Department clarify and coordinate the information needs of the Assistant Superintendents for Business Services and Personnel Services.

PURCHASING AND WAREHOUSING

It is recommended that:

- (33) all purchase orders be approved or ratified by the Board.

- (3 4) the purchasing coordinator be authorized to sign all purchase orders subject to the approval/ratification limits suggested above.
- (3 5) purchasing develop an evaluation form for use by administrators and maintenance staff to rate the performance of contractors.
- (3 6) a listing of contractors providing goods and services to the District be given to the Board annually.
- (3 7) all available documentation for the purchasing system software be continually updated as system changes are made.
- (3 8) purchasing establish a purchasing calendar.
- (3 9) purchase orders be consolidated whenever possible.
- (4 0) the District use purchase order forms with pre-printed numbers.
- (4 1) a purchase order change form be obtained.
- (4 2) the District establish a Warehouse Advisory Committee.
- (4 3) the inventory control records be maintained by an office other than the warehouse.
- (4 4) warehouse requisitions be sent directly to the warehouse.
- (4 5) the District continue to explore alternatives to the existing warehouse.

MAINTENANCE AND OPERATIONS

It is recommended that:

- (4 6) a statement of goals and objectives be developed for the Maintenance and Operations Department.
- (4 7) the District place a high priority on reinstating the Maintenance and Operations Director position.

- (4 8) the District obtain technical assistance to restore the computerized maintenance system to full operational status.
- (4 9) standards and procedures be established for measuring and evaluating staff productivity.
- (5 0) the Maintenance and Operations department develop a plan for preventive maintenance.
- (5 1) a plan be developed for conducting an annual, comprehensive inspection of all school sites and facilities.
- (5 2) the authority and responsibility of the Maintenance and Operations Department as related to the purchasing process be more clearly defined.
- (5 3) the District develop an equipment replacement schedule.
- (5 4) the District develop and implement an inservice training program for the maintenance, grounds and custodial staff.
- (5 5) the District establish custodial standards and implement an inspection program.

SECURITY

It is recommended that:

- (5 6) the District evaluate the use of a microcomputer for maintaining dispatch logs and preparing statistical reports.
- (5 7) the District review and evaluate tasks assigned to the security officers.

PERSONNEL SERVICES:

It is recommended that:

- (5 8) the District consider implementing the recommendations contained in the 1984 Management Review.

(5 9) the District evaluate methods for strengthening the employee discipline program.

(6 0) the District develop a program for recognizing outstanding employees.

(6 1) the classified employee testing program be reviewed and improved.

(6 2) the District implement a computer-based applicant tracking program.

(6 3) access to the personnel records area be restricted to authorized staff only.

(6 4) the District use self-addressed documents for corresponding with applicants.

(6 5) the District develop and implement a position control system.

EDUCATIONAL SERVICES

It is recommended that:

(6 6) one of the alternative organizational structures discussed below be adopted.

(6 7) the Task Listing Sheets for each position at the district office be examined and that any activities considered to be unproductive or unnecessary for the continuance of an effective instructional program be eliminated from the job description for that position.

(6 8) the number of meetings currently conducted by district staff be rigorously curtailed.

CURRICULUM AND INSTRUCTION

It is recommended that:

(6 9) staff development become a significant part of the job description of the Curriculum Assistants.

PUPIL PERSONNEL SERVICES

It is recommended that:

(7 0) additional efforts be made to fill the three vacant psychologist positions.

(7 1) the position of Coordinator, Special Education, be filled.

(7 2) the District fill all the vacant special education positions.

COUNSELING SERVICES

It is recommended that:

(7 3) consideration be given to making counseling services available to every elementary school.

(7 4) Pupil Personnel Services, in cooperation with career and vocational guidance personnel, develop and implement a career guidance program.

SPECIAL SERVICES

It is recommended that:

(7 5) consideration be given to combining Pupil Personnel Services and Special Services.

SPECIAL PROJECTS

It is recommended that:

(7 6) the Special Projects Director report to the Assistant Superintendent, Educational Services.

(7 7) the supervision of the head start program be transferred from Special Projects to the Child Development Center.

(7 8) the District increase its efforts to fill the bilingual management position.

LIBRARY MEDIA SERVICES

It is recommended that:

- (7 9) the District consider funding for library resources as a component of instructional materials funding.
- (8 0) budgets for high school libraries be allocated and that budget information be provided to high school librarians at the beginning of each fiscal year.
- (8 1) a survey or study be done to assess students' and staffs' equity of access to instructional materials and library media services.
- (8 2) a faculty library chair at each elementary and middle school be designated.
- (8 3) staff development for faculty library chairs, high school librarians, and library aides be provided.
- (8 4) a strong student library program be developed at each school site.
- (8 5) the District provide clerical support for each high school library.

Appendix C

Comparison of the Inglewood Unified School District's Revenues With the Revenues of Five Other School Districts Fiscal Years 1987-88, 1988-89, and 1989-90

	Inglewood		Newport-Mesa		Downey		Vallejo City		Conejo Valley		Rialto	
	Total	Per ADA	Total	Per ADA	Total	Per ADA	Total	Per ADA	Total	Per ADA	Total	Per ADA
Principal apportionment	\$108,576,887	\$2,348	\$ 4,796,308	\$ 100	\$ 97,465,248	\$2,296	\$121,599,528	\$2,354	\$ 81,115,908	\$1,535	\$121,784,342	\$2,427
Tax relief subventions	437,922	9	3,544,621	74	476,348	11	727,611	14	1,709,044	32	586,125	12
Trailer coach fees	4,839		61,972		27,755		80,208		79,053		79,372	
County and district taxes	18,033,707	390	144,139,674	3,008	19,798,485	466	18,668,874	361	64,750,008	1,225	16,883,575	336
Total revenue limit	127,053,355	2,747	152,542,575	3,182	117,767,886	2,773	141,076,221	2,729	147,654,013	2,792	139,333,414	2,775
Revenue limit transfers	729,695	16	(1,012,613)	(21)	(664,181)	(16)	(129,938)	(3)	(235,635)	(4)	622,754	12
Federal revenues	8,813,481	191	5,403,757	113	3,435,750	81	8,479,379	164	2,398,883	45	5,326,743	106
Other state revenues	26,683,671	577	32,839,745	685	21,314,832	502	31,490,296	610	30,846,221	584	29,461,151	587
Other local revenues	2,928,766	63	10,966,639	229	6,401,854	151	4,354,214	84	8,410,005	159	4,717,153	94
Other adjustments	9,783						338,435				(94,085)	
Total	\$166,218,751	\$3,594	\$200,740,103	\$4,188	\$148,256,091	\$3,491	\$185,608,607	\$3,584	\$189,073,487	\$3,576	\$179,367,130	\$3,574

Appendix D

Comparison of the Inglewood Unified School District's Expenditures With the Expenditures of Five Other School Districts Fiscal Years 1987-88, 1988-89, and 1989-90

	Inglewood	Percentage of Total Expenses	Newport-Mesa	Percentage of Total Expenses	Downey	Percentage of Total Expenses	Vallejo City	Percentage of Total Expenses	Conejo Valley	Percentage of Total Expenses	Rialto	Percentage of Total Expenses
Certificated Salaries												
Teachers	\$ 67,954,211	41.06%	\$ 88,605,177	43.94%	\$ 69,407,572	46.23%	\$ 82,862,451	44.85%	\$ 84,341,998	44.60%	\$ 77,688,392	44.48%
School administrators	5,644,896	3.41	5,909,373	2.93	5,475,991	3.65	6,132,537	3.32	7,282,842	3.86	6,972,548	3.99
Supervisors	544,179	0.33	1,172,369	0.58	204,326	0.14	2,587,015	1.40	1,296,310	0.69	1,273,501	0.73
Librarians	255,276	0.15	1,633,127	0.81	752,121	0.50	693,481	0.38	381,922	0.20	1,376,369	0.79
Guidance, welfare, and attendance	3,236,465	1.96	3,087,860	1.53	3,497,736	2.33	4,041,192	2.19	4,858,115	2.57	2,876,060	1.65
Physical and mental health	263,069	0.16	844,663	0.42	242,929	0.16	751,655	0.41	412,551	0.22	2,449,015	1.40
Superintendents	779,886	0.47	753,571	0.37	1,044,112	0.70	649,278	0.35	693,273	0.37	795,916	0.46
Administrative personnel	948,174	0.57	763,004	0.39	521,870	0.35	604,673	0.33	369,102	0.20	347,356	0.20
Other certificated	4,528,431	2.74			1,152,765	0.77	4,063,710	2.20	1,040,741	0.55	220,056	0.13
Total Certificated Salaries	84,154,587	50.85	102,789,144	51.13	82,299,422	54.82	102,385,992	55.42	100,676,854	53.35	93,999,213	53.82
Classified Salaries												
Instructional aides	3,065,660	1.85	6,073,490	3.01	4,592,122	3.06	5,416,420	2.93	3,153,935	1.67	4,819,077	2.76
Administrative	1,742,333	1.05	4,274,107	2.12	2,325,872	1.55	1,757,812	0.95	2,343,541	1.24	1,295,333	0.74
Clerical/office	8,693,466	5.25	12,119,733	6.01	7,056,106	4.70	9,142,835	4.95	10,286,207	5.45	10,790,944	6.18
Maintenance and operations	7,344,408	4.44	11,251,044	5.58	9,867,383	6.57	11,026,548	5.97	8,937,233	4.74	6,562,475	3.76
Food services	28,646	0.02	2,042	.00	61,731	0.04	921,445	0.50	40,572	0.02	3,316	.00
Transportation	289,824	0.18	2,867,559	1.42	1,649,360	1.10	2,222,311	1.20			1,887,512	1.08
Other classified	5,882,939	3.55	1,508,314	0.75	1,188,858	0.79	680,299	0.37	2,416,000	1.28	2,741,271	1.57
Total Classified Salaries	27,047,276	16.34	38,096,289	18.95	26,741,432	17.81	31,167,670	16.87	27,177,488	14.40	28,099,928	16.09

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		Percentage of Total Expenses	Inglewood	Percentage of Total Expenses	Newport-Mesa	Percentage of Total Expenses	Downey	Percentage of Total Expenses	Vallejo City	Percentage of Total Expenses	Conejo Valley	Percentage of Total Expenses	Rialto	Percentage of Total Expenses
Employee Benefits														
STRS - Instructional	\$ 5,234,069	3.16%			\$ 7,604,568	3.77%	\$ 5,502,691	3.67%	\$ 6,612,278	3.58%	\$ 6,895,902	3.65%	\$ 6,066,853	3.47%
Noninstructional	1,116,722	0.67			776,112	0.38	1,006,267	0.67	1,563,191	0.85	1,275,395	0.68	1,363,096	0.78
PERS - Instructional	110,083	0.07			345,690	0.17	153,589	0.10	494,114	0.27	182,822	0.10	84,269	0.05
Noninstructional	1,818,542	1.10			2,445,149	1.21	1,823,535	1.21	1,928,031	1.04	1,715,169	0.91	1,793,969	1.03
OASDI - Regular														
Instructional	240,410	0.15			292,801	0.15	186,424	0.12	373,878	0.20	158,468	0.08	83,345	0.05
Noninstructional	1,920,305	1.16			2,146,329	1.06	1,534,337	1.02	1,777,143	0.96	1,471,721	0.78	1,420,534	0.81
OASDI - Medicare														
Instructional	69,548	0.04			129,105	0.06	294,896	0.20	294,192	0.16	104,647	0.06	446,632	0.26
Noninstructional	126,644	0.08			44,843	0.02	37,957	0.03	33,598	0.02	61,055	0.03	136,481	0.08
H & W - Instructional	8,873,937	5.36			11,585,140	5.75	7,213,687	4.80	7,565,455	4.09	11,616,662	6.16	6,450,337	3.69
Noninstructional	4,874,603	2.95			5,771,036	2.86	5,406,167	3.60	4,107,420	2.22	6,080,993	3.22	3,967,445	2.27
U.I. - Instructional	140,492	0.08			178,192	0.09	47,314	0.03	57,594	0.03	58,148	0.03	81,433	0.05
Noninstructional	38,127	0.02			62,512	0.03	22,684	0.02	25,293	0.01	26,229	0.01	19,745	0.01
Workers' compensation - Instructional	2,925,640	1.77			697,624	0.35	369,541	0.25	878,781	0.48	1,956,943	1.04	674,878	0.39
Noninstructional	1,282,036	0.77			712,915	0.35	184,298	0.12	462,914	0.25	907,055	0.48	312,431	0.18
Other - Instructional					544,859	0.27			141,830	0.08				
Noninstructional					1,109,301	0.55			89,449	0.05			4,230	.00
Total Employee Benefits	28,771,158	17.39			34,446,166	17.13	23,783,387	15.84	26,395,661	14.29	32,511,209	17.23	22,905,678	13.11
Books and Supplies														
Textbooks	616,985	0.37			1,334,799	0.66	1,158,418	0.77	518,628	0.28	1,475,883	0.78	1,823,429	1.04
Other books	694,721	0.42			291,523	0.14	226,341	0.15	252,822	0.14	590,053	0.31	158,188	0.09
Instructional materials and supplies	1,944,325	1.17			2,489,818	1.23	1,747,739	1.16	2,396,759	1.30	2,304,906	1.22	3,141,095	1.80
Other supplies	2,009,865	1.21			2,574,957	1.28	1,961,648	1.31	2,792,689	1.51	2,600,036	1.38	2,835,976	1.62
Pupil transportation supplies	(71,486)	(0.04)			766,419	0.38	275,341	0.18	642,461	0.35			596,966	0.34
Food services supplies	16,814	0.01				.00	299	.00						
Total Books and Supplies	5,211,224	3.15			7,457,516	3.71	5,369,786	3.59	6,603,359	3.57	6,970,878	3.69	8,555,654	4.90

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	Inglewood	Percentage of Total Expenses	Newport-Mesa	Percentage of Total Expenses	Downey	Percentage of Total Expenses	Vallejo City	Percentage of Total Expenses	Conejo Valley	Percentage of Total Expenses	Rialto	Percentage of Total Expenses
Services and Other												
Operating Expenses												
Consultants, lecturers, other	\$ 500,225	0.30%	\$ 275,505	0.14%	\$ 169,020	0.11%	\$ 720,622	0.39%	\$ 93,333	0.05%	\$ 401,584	0.23%
Travel and conferences	509,010	0.31	604,594	0.30	398,178	0.26	883,934	0.48	767,418	0.41	630,664	0.36
Dues and memberships	38,611	0.02	38,657	0.02	36,697	0.02	53,590	0.03	56,968	0.03	48,830	0.03
Insurance	1,050,000	0.63	1,163,835	0.58	959,116	0.64	1,735,697	0.94	1,702,778	0.90	923,680	0.53
Utilities and housekeeping	4,720,449	2.85	7,407,939	3.67	3,467,597	2.31	4,920,101	2.66	6,311,192	3.34	5,777,344	3.31
Rentals, leases, repairs	3,969,864	2.40	1,474,905	0.73	1,717,882	1.14	3,532,839	1.91	1,524,928	0.81	2,107,957	1.21
Direct costs-												
interprogram services			(9,055)	.00					(27)	.00		
Direct costs-												
interfund services			(54,590)	(0.03)			(19,337)	(0.01)	(56,295)	(0.03)	(142,927)	(0.08)
Other services and operating expenses	3,903,854	2.36	3,030,510	1.50	1,722,234	1.15	2,300,915	1.25	6,760,242	3.58	3,125,640	1.79
Total Services and Other Operating Expenses	14,692,013	8.88	13,932,290	6.93	8,460,724	5.64	14,128,361	7.65	17,160,537	9.09	12,872,772	7.37
Capital Outlay												
Sites and improvements	8,300	0.01	32,029	0.02	363,365	0.24	141,810	0.08	259,432	0.14	591,678	0.34
Buildings and improvements	86,860	0.05	11,081	0.01	567,100	0.38	903,125	0.49	678,309	0.36	2,882,039	1.65
Books and media for new and expanded libraries											413,185	0.24
Equipment	1,849,772	1.12	1,541,966	0.76	1,621,740	1.08	2,109,765	1.14	2,881,144	1.53	3,399,021	1.95
Equipment replacement	187,144	0.11	431,152	0.21	270,617	0.18	220,666	0.12	35,779	0.02	223,342	0.13
Total Capital Outlay	2,132,076	1.29	2,016,228	1.00	2,822,822	1.88	3,375,366	1.83	3,854,664	2.04	7,509,265	4.30

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	Inglewood	Percentage of Total Expenses	Newport-Mesa	Percentage of Total Expenses	Downey	Percentage of Total Expenses	Vallejo City	Percentage of Total Expenses	Conejo Valley	Percentage of Total Expenses	Fialto	Percentage of Total Expenses
Other Outgo												
Tuition												
Intr-dist atndn agreement			\$ 1,904	.00%								
ROC/P tuition	\$ 2,841,899	1.72	1,734,163	0.86	\$182,660	0.12						
Special ed. excess costs			72,000	0.04	64,183	0.04			\$ 203,489	0.11		
State special school			61,176	0.03	4,187	0.00	\$ 43,858	0.02	9,897	0.01	\$ 3,305	.00
Other tuition	12,982	0.01	130,406	0.06			1,471,972	0.80	115,749	0.06	121,670	0.07
Other Transfers Out												
Spec.Ed.SELPA transfers									1,647	.00		
ROC/P transfers												
Community schools transfers												
PERS reduction from revenue limit	800,491	0.48			735,792	0.49	1,233,626	0.67	835,294	0.44	688,501	0.39
All other transfers out												
Total Other Outgo	3,655,372	2.21	1,999,649	0.99	986,822	0.66	2,749,456	1.49	1,166,076	0.62	813,476	0.47
Direct Support/Indirect Costs												
Interprogram transfers					(3,894)	.00						
Interfund transfers	(189,900)	(0.11)	(481,483)	(0.24)	(792,143)	(0.53)	(1,254,438)	(0.68)	(800,479)	(0.42)	(128,087)	(0.07)
Total Direct Support/Indirect Costs	(189,900)	(0.11)	(481,483)	(0.24)	(796,037)	(9.53)	(1,254,438)	(0.68)	(800,479)	(0.42)	(128,087)	(0.07)
Prior Year Expenditures and Other Adjustments												
Accounts payable	18,038	0.01	7,073	.00			(790,154)	(0.43)			37,863	0.02
Accounts receivable			776,425	0.39			(5,907)	.00				
Other adjustments												
Total Prior Year Expenditures and Other Adjustments	18,038	0.01	783,498	0.38			(796,061)	(0.43)			37,863	0.02
Total Expenditures	\$165,491,844		\$201,039,297		\$149,668,358		\$184,755,366		\$188,717,227		\$174,665,762	

Appendix E

Inglewood Unified School District's Revenues and Expenditures Fiscal Year 1985-86 Through 1989-90

	1985-86	1986-87	1987-88	1988-89	1989-90	Annualized Percentage Change
REVENUE LIMIT SOURCES						
Principal Apportionment						
State aid - current year	\$32,596,962	\$33,438,584	\$34,117,457	\$35,507,586	\$38,519,099	
State aid - prior year					432,745	
Tax Relief Subventions						
Homeowners' exemptions	155,512	153,890	149,445	145,847	140,519	
Timber yield tax						
Other subventions/in-lieu	42	23	25	25	2,061	
Trailer Coach Fees		2,041	1,048	3,070	721	
County and District Taxes						
Secured roll taxes	3,859,105	4,343,176	4,673,854	4,909,391	5,338,941	
Unsecured roll taxes	314,937	334,688	352,138	372,459	394,711	
Prior years' taxes	665,243	575,690	610,481	289,761	368,831	
Supplemental taxes	54,252			339,588	383,552	
Total Revenue Limit Sources	37,646,053	38,848,092	39,904,448	41,567,727	45,581,180	4.90%
Revenue Limit Transfers						
Special education ADA transfer						
PERS reduction transfer			208,873	275,104	316,514	
ROC/P apprentice hours transfer						
Transfer to adult education			(27,712)	(20,994)	(22,090)	
Juvenile hall/continuing ADA transfer						
All other transfers						
Total Revenue Limit Transfers	0	0	181,161	254,110	294,424	27.48%
FEDERAL REVENUES						
Maintenance and Operation						
School Construction						
Education Proficiency Deficiency Act						
Economic Opportunity Act		49,892	299,982	144,066		
ECIA/ESEA	1,873,012	2,099,933	2,239,903	2,257,886	2,776,606	
JTPA						
Special Education						
Entitlement per UDC	86,277	92,648	95,349	77,892	85,608	
Discretionary grants						

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	1985-86	1986-87	1987-88	1988-89	1989-90	Annualized Percentage Change
EESA			\$ 17,450	\$ 25,279	\$ 32,382	
Child Nutrition Program						
Vocational Education Act		\$ 163,678	68,374	91,977	118,070	
Forest Reserve Funds						
Flood Control Funds						
Wildlife Reserve Funds						
Other Federal Income	\$ 75,681	348,174	170,884	133,851	177,922	
Total Federal Revenues	2,034,970	2,754,325	2,891,942	2,730,951	3,190,588	11.90%
OTHER STATE REVENUES						
Principle Apportionment						
ROC/P entitlement	452,030	882,883	1,109,740	1,091,973	859,429	
Special education master plan	886,371	939,006	922,406	962,010	1,259,511	
Gifted and talented pupils	106,021	77,961	52,200	64,835	182,145	
Special Purpose Apportionment						
Driver training						
Home-to-school transportation		20,839	21,002	9,608	10,054	
Urban impact aid	764,819	772,470	775,977	775,977		
School improvement program	956,789	928,362	1,085,025	982,855	1,154,933	
Economic impact aid	1,139,085	1,065,496	1,281,047	1,190,153	763,728	
Special Instructional Allowances						
Basic reading act						
Instructional television						
Special teacher employment						
Demonstration program, reading and math						
Instructional materials	112,415	58,907	241,159	226,848	248,040	
Vocational education handicapped students						
Staff development	5,436		190			
Tenth grade counseling	242,211	4,215	28,171	28,435	32,292	
Mentor teacher		102,158	143,842	162,091	281,901	
Classroom teacher instructional improvement program		26,750				
Education technology assistance grants		12,000			20,030	
Year round school incentive				65,565	23,770	
Other instructional allowances		26,271	64,806	92,877	43,441	
Other State Income						
State preschool						
Child nutrition programs						
Mandated costs reimbursement	35,114	5,505	30,082		13,668	
State lottery income	1,980,421	1,507,409	2,081,582	3,351,694	2,654,611	
Tax Relief Subventions						
Homeowners' exemptions						
Other subventions/in-lieu						
All Other State Income	17,861	69,970	162,389	1,025,760	1,105,819	
Total Other State Revenues	6,698,573	6,500,202	7,999,618	10,030,681	8,653,372	6.61%

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	1985-86	1986-87	1987-88	1988-89	1989-90	Annualized Percentage Change
OTHER LOCAL REVENUES						
Sale of Equipment/Supplies				\$ 510	\$ 180	
Leases and Rentals				1,962	3,270	
Interest	\$ 415,364	\$ 436,785	\$ 504,091	438,233	501,741	
Fees and Contracts	136,735	102,463	213,804			
All Other Local Income	197,793	56,078	224,992	570,178	425,920	
All Other Transfers In	685,093	258,885			43,885	
Total Other Local Revenues	1,434,985	854,211	942,887	1,010,883	974,996	
Prior Year Revenue Adjustments						
Accounts receivable			9,785			
Accounts payable						
Total prior year revenue adjustments			9,785			
Total Revenues	\$47,814,581	\$48,956,830	\$51,929,841	\$55,594,352	\$58,694,560	5.26%
EXPENDITURE DETAIL						
Certificated Salaries						
Teachers' salaries ^a	\$19,085,520	\$20,153,074	\$21,990,675	\$22,224,120	\$23,739,416	
School administrators ^b	1,479,211	1,886,154	1,881,933	1,771,177	1,991,786	
Supervisors ^b	250,837	264,262	182,366	144,629	217,184	
Librarians ^a	37,627	42,735	74,390	87,216	93,670	
Guidance, welfare and attendance ^b	961,465	1,212,379	1,146,688	1,117,113	972,664	
Physical and mental health ^b	90,895	71,871	101,222	75,179	86,668	
Superintendents ^b	121,362	129,174	226,261	155,687	397,938	
Administrative personnel ^b	320,592	366,598	371,607	292,960	283,607	
Other certificated ^a	620,318	878,019	1,321,411	1,381,165	1,825,855	
Total Certificated Salaries	22,967,827	25,004,266	27,296,553	27,249,246	29,608,788	6.56%
Classified Salaries						
Instructional aides ^a	1,436,191	1,614,524	1,088,522	978,295	998,843	
Administrative ^b	434,777	509,155	645,699	463,936	632,698	
Clerical/office ^b	2,257,863	2,635,624	2,807,362	2,751,935	3,134,169	
Maintenance and operations ^b	2,246,633	2,514,842	2,364,772	2,244,638	2,734,998	
Food services ^b	67	3,557	8,758	10,469	9,419	
Transportation ^b	43,447	52,459	105,768	84,069	99,987	
Other classified ^b	1,290,439	1,516,995	1,634,517	1,860,854	2,387,568	
Total Classified Salaries	7,709,417	8,847,156	8,655,398	8,394,196	9,997,682	6.71%

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	1985-86	1986-87	1987-88	1988-89	1989-90	Annualized Percentage Change
Employee Benefits						
STRS - Instructional ^a	\$ 1,387,707	\$ 1,607,733	\$ 1,834,244	\$ 1,672,251	\$ 1,727,574	
Noninstructional ^b	306,497	387,831	287,626	397,824	431,272	
PERS - Instructional ^a	79,887	81,696		51,178	48,905	
Noninstructional ^b	607,502	688,915	718,252	534,573	565,717	
OASDI - Regular						
Instructional ^a	104,713	111,544	88,613	73,648	78,149	
Noninstructional ^b	440,462	519,469	642,957	574,566	702,782	
OASDI - Medicare						
Instructional ^a		23,257	8,380	52,165	9,003	
Noninstructional ^b		2,306	41,638	8,747	76,259	
H & W - Instructional ^a	2,225,208	2,232,666	2,680,237	3,002,991	3,190,709	
Noninstructional ^b	804,740	1,434,787	1,451,886	1,605,429	1,817,288	
U.I. - Instructional ^a	90,234	70,281	99,444	22,699	18,349	
Noninstructional ^b	49,316	65,290	9,685	11,468	16,974	
Workers' Compensation -						
Instructional ^a	456,988	628,219	660,875	698,788	1,565,977	
Noninstructional ^b	352,485	252,474	421,005	372,146	488,885	
Total Employee Benefits	6,905,739	8,106,468	8,944,842	9,078,473	10,737,843	11.67%
Books and Supplies						
Textbooks ^a	235,265	294,497	237,910	184,828	194,247	
Other books ^a	176,149	117,851	263,545	252,922	178,254	
Instructional materials and supplies ^a	783,899	997,919	553,914	598,996	791,415	
Other supplies ^b	853,668	956,273	699,398	573,711	736,756	
Pupil transportation supplies ^b	30,684	(5,863)	(48,856)	(10,754)	(11,876)	
Food services supplies ^b		4,150	3,105	5,833	7,876	
Total Books and Supplies	2,079,665	2,364,827	1,709,016	1,605,536	1,896,672	(2.28)%
Services, Other Operating Expenses						
Consultants, lecturers, other ^a	114,868	160,526	174,642	141,763	183,820	
Travel and conferences ^b	121,390	162,065	198,174	167,289	143,547	
Dues and memberships ^b	6,856	11,501	15,327	13,719	9,565	
Insurance ^b	517,080	778,655	200,000	400,000	450,000	
Utilities and housekeeping ^b	1,501,832	1,547,418	1,441,905	1,596,381	1,682,163	
Rentals, leases, repairs ^b	1,000,316	1,000,056	876,501	1,245,089	1,848,274	
Direct costs-intraprogram services ^b	164,120	48,043				
Other services and operating expenses ^b	383,301	724,955	1,027,701	1,373,956	1,502,197	
Total Services and Other Operating Expenses	3,809,763	4,433,219	3,934,250	4,938,197	5,819,566	11.17%

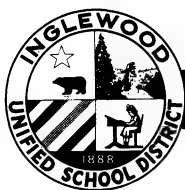
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	1985-86	1986-87	1987-88	1988-89	1989-90	Annualized Percentage Change
Capital Outlay						
Sites and improvements ^b	\$ 329,776		\$ 8,300			
Buildings and improvements ^b	64,192	\$ 84,924	45,847	\$ 2,566	\$ 38,447	
Equipment ^b	566,064	890,665	443,608	522,954	883,210	
Equipment replacement ^b	172,979	121,498	60,496	40,516	86,132	
Total Capital Outlay	1,133,011	1,097,087	558,251	566,036	1,007,789	(2.89)%
Other Outgo						
Tuition						
ROC/P Tuition ^a	816,801		1,150,165	832,305	859,429	
State special school ^a			3,717	4,467	4,798	
Other tuition ^a	4,568					
Other Transfers Out						
ROC/P transfers ^a		1,003,903				
PERS reduction from revenue limit ^b			208,873	275,104	316,514	
All other transfers out		2,322				
Total Other Outgo	821,369	1,006,225	1,362,755	1,111,876	1,180,741	9.50%
Direct Support/Indirect Costs						
Interprogram transfers of ^b		1,931,310				
Interfund transfers of ^b	884,762			(108,375)	(81,525)	
Total Direct Support/ Indirect Costs	884,762	1,931,310		(108,375)	(81,525)	
Prior Year Expenses and Other Adjustments						
Accounts payable ^b			\$ 18,038			
Accounts receivable ^b						
Other adjustments ^b						
Total Prior Year Expenses and Other Adjustments			18,038			
Total Expenditures	46,311,553	52,790,558	52,479,103	52,835,185	60,167,556	6.76%

	1985-86	1986-87	1987-88	1988-89	1989-90	Annualized Percentage Change
Other Financing Sources/Uses						
Interfund Transfers						
Transfers in		256,289				
Transfers out				(262,000)		
Other Sources/Uses						
Sources		16,116			6,842,681	
Uses				(29)		
Contributions to						
Restricted Programs						
Statutory						
Other			104,275			
Total Other Financing						
Sources/Uses		272,405	104,275	(262,029)	6,842,681	
Total Excess (Deficiency)						
Revenue Over Expenses	\$ 1,503,028	\$ (3,561,323)	\$ (444,987)	\$ 2,497,138	\$ 5,369,685	

^aThese expenses were classified as instructional services for Figures 1 and 2.

^bThese expenses were classified as noninstructional services for Figures 1 and 2.



INGLEWOOD UNIFIED SCHOOL DISTRICT

401 S. INGLEWOOD AVE., INGLEWOOD, CALIF. • 90301 • (213) 419-2500

August 20, 1991

Mr. Kurt R. Sjoberg
Auditor General (Acting)
Office of the Auditor General
660 J Street, Suite 300
Sacramento, California 95814

Dear Mr. Sjoberg,

Upon notification on January 18, 1991 that the Inglewood Unified School District was to be audited by the Office of the Auditor General as requested by a member of the legislature, the staff's level of concern was high due to the time that we knew would have to be devoted to this process, in addition to staff completing the overwhelming responsibilities associated with operating the school district.

Our level of concern was also high due to the negative assumptions for which the audit was initiated in the first place. However, we want to thank the audit team for their professional manner and their willingness to understand staff's concerns regarding this process. The audit team spent many months thoroughly investigating those issues identified in the initial letter.

In general, we find the audit team's recommendations to be fair and the district intends to implement them.

As stated in the introduction of the audit report, I was approved as Superintendent, September 28, 1988 and Ms. Kermet M. Dixon was appointed Assistant Superintendent, Business Services in July 1, 1989. Since then an entirely new top certificated and classified management team has been appointed in the Personnel, Educational and Business Services Divisions.

It is important to know that the Inglewood Unified School District has undergone a tremendous turnover in its top district office administration and the secondary school administration. In the last ten years, there have been three permanent Superintendents, four different Chief Business Officials, four Chief Personnel Officers and numerous changes in positions and people in the educational division.

Therefore, one of the priorities of the Board of Education and me is to continue to hire and retain qualified employees at all levels. However, as stated in the audit report, our teacher

salaries are among the lowest of 43 unified school districts in Los Angeles County as well as our administrative salaries at all levels including the Superintendent's salary. Thus recruitment of experienced, competent staff becomes difficult and the district has to create other incentives to attract and maintain experienced, competent staff.*①

In addition to the low salaries, the Inglewood District, as indicated in the Los Angeles County Management Assistance Team report of August 1990, identifies the district's Personnel and Business Services Divisions are staffed at a lower level than the average of all districts surveyed which included seven comparison districts. The team's review of the operations of each major division indicated that the low level of staffing within some of the departments is negatively affecting the ability of the staff to complete their work assignments.

In general, staff is pleased with the outcome of the audit. In the purchasing and contract areas most of the findings related to the 1987-88 school year, prior to this administration and even these findings focus on the current staff's inability to locate particular documents of a transaction. It is quite possible that the transactions were done properly but absent the documents a determination can't be made. The two findings related to proper bidding procedures, i.e., the procurement of transportation services and the fact that one Board Member voted no on an emergency resolution, does not take away from the fact that hundreds of bids have been properly let from 1987 through 1991. We acknowledge that with all the proper procedures in place there is always the human factor which lead to errors and omissions. However, in both cases the errors did not minimize the fact that the District did receive the best price for the service required.

With the transportation bid, Educational Code, Section 39802, requires a bid at the lowest possible figure consistent with proper and satisfactory services but it also states that the governing board may let the contract for the service to other than the lowest bidder. The District's practice has been to contract with several bus companies that service the Inglewood area and use them as necessary based on availability and cost for extracurricular activities, such as athletics and field trips when the district owned buses are unable to provide the service.

In regards to the emergency resolution requiring a unanimous vote, we are placing the statement in the body of the Board agenda item so that this issue is not overlooked in the future. However, as stated in the body of the audit report, the purchasing department solicits informal quotes from at least three contractors for an emergency resolution too, in order to get competitive prices for service.②

*The Office of the Auditor General's comments on this response begin on page 89.

Finally, in spite of low salaries and low staffing levels, my philosophy is that the responsibility of leadership and supervisory personnel is to ensure the effectiveness of the delivery system, along with total accountability. I hold each of the leadership responsible and accountable for bringing to reality the implementation of all guidelines which I personally developed along with other applicable Board and District policies, regulations and procedures. This philosophy has resulted in the development of improved procedures as well as improved adherence to the procedures by employees at all levels. It is my goal that this improvement will continue and the areas identified by the audit team will be among the priority areas which include:

- . The continued improvement in ensuring that properly compiled reports of average daily attendance are reported to the State by monitoring school site operations more closely.
- . To continue to ensure that all staff follows the purchasing and contracting procedures.
- . To update all District policies in accordance with legal codes and current practices.
- . To provide guidelines and procedures to school sites in addition to closer monitoring in the areas of recording of grades and credits on transcripts and the issuance of diplomas to students.

The Inglewood Unified School District staff, specifically the school staff, Department of Pupil Personnel Services/Child Welfare and Attendance and Secondary Education, will ensure compliance with the education code, board policies procedures, and regulations relative to accuracy of grades and meeting graduation requirements during the 1991-92 school year.

Staff development has been planned beginning September 5, 1991 to review all codes and policies. Three training sessions are scheduled during the year to assist school staff to adhere to these requirements.

All counselors will meet with the Director of Pupil Personnel Services/Child Welfare and Attendance once each month to attend inservice training, review progress, revise procedures, and to complete all reports accurately. Teachers will receive inservice on the keeping of accurate rollbooks and attendance reports, which will include parent contact regarding student's absences.

The principal will receive inservice training on ways to monitor school activities and to identify and rectify problem


areas. The Director of Secondary Education will monitor the principals' activities and assist the principals to achieve both accuracy of records and graduation requirements.

The Director of Pupil Personnel Services/Child Welfare and Attendance will monitor the record clerks and counselors in regard to all academic records and transcripts. Attendance checks will occur quarterly, to ensure that students' attendance is being monitored and that parents have submitted reasons for student's absences.

The Department of Data Processing will work with the school counselors, principals and the Director of Pupil Personnel Services to accurately process student information and to ensure that all transcripts are correct.

Finally, the District will incorporate these areas in the goals and objectives of each of the individual administrators. Our expectation is that we will have corrected these identified problems in a timely manner.

Sincerely,

A handwritten signature in dark ink, appearing to read "George J. McKenna III", is written over the typed name.

Dr. George J. McKenna III
Superintendent
Inglewood Unified School District

GJM:rb

**Comments Office of the Auditor General's Comments
on the Response From
Inglewood Unified School District**

- ① The discussion in the report about salary levels is limited to a discussion about teacher salary levels in the district relative to teacher salary levels in Los Angeles County. The discussion on the salary levels for the administrative staff and the superintendent is additional information provided by the district.
- ② The discussion in the report about informal quotes for emergency services is limited to a quote from the assistant superintendent of business services related to one emergency service transaction. The information that the district solicited informal bids for other emergency service contracts is additional information provided by the district.

**cc: Members of the Legislature
Office of the Governor
Office of the Lieutenant Governor
State Controller
Legislative Analyst
Assembly Office of Research
Senate Office of Research
Assembly Majority/Minority Consultants
Senate Majority/Minority Consultants
Capitol Press Corps**